SEC–42

SYSTEM NAME:

Enforcement Files.

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ROUTINE USES OF RECORDS MAINTAINED IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES:

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7. In connection with proceedings by the Commission pursuant to Rule 102(e) of its Rules of Practice, 17 CFR 201.102(e).

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11. In connection with their regulatory and enforcement responsibilities mandated by the federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), or state or foreign laws regulating securities or other related matters, records may be disclosed to national securities associations that are registered with the Commission, the Municipal Securities Rulemaking Board, the Securities Investor Protection Corporation, the federal banking authorities, including but not limited to, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, and the Federal Deposit Insurance Corporation, state securities regulatory or law enforcement agencies or organizations, or regulatory law enforcement agencies of a foreign government, or foreign securities authority.

12. To any trustee, receiver, master, special counsel, or other individual or entity that is appointed by a court of competent jurisdiction or as a result of an agreement between the parties in connection with litigation or administrative proceedings involving allegations of violations of the federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)) or the Commission's Rules of Practice, 17 CFR 201.100–900, or otherwise, where such trustee, receiver, master, special counsel or other individual or entity is specifically designated to perform particular functions with respect to, or as a result of, the pending action or proceeding or in connection with the administration and enforcement by the Commission of the federal securities laws or the Commission's Rules of Practice.

* * * * *

15. Inclusion in reports published by the Commission pursuant to authority granted in the federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)).

* * * * *

17. To any person who is or has agreed to be subject to the Commission's Rules of Conduct, 17 CFR 200.735–1 to 735–18, and who assists in the investigation by the Commission of possible violations of the federal securities laws (as defined in Section 3(a)(47) of the Securities Exchange Act of 1934, 15 U.S.C. 78c(a)(47)), in the preparation or conduct of enforcement actions brought by the Commission for such violations, or otherwise in connection with the Commission's enforcement or regulatory functions under the federal securities laws.

* * * * *

23. To any governmental agency, governmental or private collection agent, consumer reporting agency or commercial reporting agency, governmental or private employer of a debtor, or any other person, for collection, including collection by administrative offset, federal salary offset, tax refund offset, or administrative wage garnishment, of amounts owed as a result of Commission civil or administrative proceedings.

DISCLOSURE TO CONSUMER REPORTING AGENCIES

When the Commission seeks to collect a debt arising from a civil action or administrative proceeding, it may disclose the following information to a consumer reporting agency: (i) Information necessary to establish the identity of the debtor, including name, address and taxpayer identification number or social security number; (ii) the amount, status, and history of the debt; and (iii) the fact that the debt arose from a Commission action or proceeding to enforce the federal securities laws.

POLICIES AND PRACTICES FOR STORING, RETRIEVING, ACCESSING, RETAINING AND DISPOSING OF RECORDS IN THE SYSTEM:

* * * * *

SYSTEMS MANAGERS AND ADDRESSES:

Director, Division of Enforcement, Securities and Exchange Commission, 450 Fifth Street NW, Washington, DC 20549–0801; Records Officer, Securities and Exchange Commission, 6441-D General Green Way, Alexandria, VA 22312; Regional Director, Northeast Regional Office, 233 Broadway, New York, NY 10279; District Administrator, Boston District Office, 73 Tremont Street, Suite 600, Boston, MA 02108–3912; District Administrator, Philadelphia District Office, The Curtis Center, 601 Walnut Street, Suite 1120 E., Philadelphia, PA 19106–3322; Regional Director, Southeast Regional Office, 801 Brickell Avenue, Suite 1800, Miami, Florida 33131; District Administrator, Atlanta District Office, 3475 Lenox Road, N.E., Suite 1000, Atlanta, GA, 30326–1232; Regional Director, Midwest Regional Office, 175 West Jackson Boulevard, Suite 900, Chicago, IL 60604; Regional Director, Central Regional Office, 1801 California Street, Suite 1500, Denver, CO 80202–2648; District Administrator, Fort Worth District Office, 801 Cherry Street, Unit #18, Fort Worth, TX 76102–6882; District Administrator, Salt Lake District Office, 50 South Main Street, Suite 500, Salt Lake City, UT 84144–0402; Regional Director, Pacific Regional Office, 5670 Wilshire Boulevard, 11th Floor, Los Angeles, CA 90036–3648; and District Administrator, San Francisco District Office, 44 Montgomery Street, Suite 1100, San Francisco, CA 94104.

* * * * *

EXEMPTIONS CLAIMED FOR THE SYSTEM:

Under 5 U.S.C. 552a(k)(2), this system of records is exempted from the following provisions of the Privacy Act, 5 U.S.C. 552a: (c)(3), (d), (e)(1), (e)(4)(G), (H), and (I), and (f). These exemptions are contained in 17 CFR 200.312(a)(1).

By the Commission.

Dated: July 18, 2002.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–18646 Filed 7–23–02; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–46219; File No. SR–CHX–2002–14]

Self Regulatory Organizations; Chicago Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change To Delete Rule Provisions Relating to the Trading of Options

July 17, 2002.

On April 26, 2002, the Chicago Stock Exchange, Inc. (''CHX'' 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 proposed rule change to delete provisions governing or relating to the trading of options on the CHX. Under the proposed rule change, CHX would delete certain provisions of its rules that govern or make reference

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

to the trading of options on the CHX. In 1980, the Commission approved changes to the Exchange's bylaws and rules that deleted most references to the Exchange's operation of an options market.[3] Since that time, CHX has not operated an options market, but has served as an self-regulatory organization participant on the Options Self-Regulatory Council (''OSRC'') for essentially informational purposes.

In its proposal, CHX explained that given changes in the options market and obligations of OSRC participants, it believes that it is no longer advisable, from either a regulatory or economic perspective, to continue serving on the OSRC.[4] Accordingly, the proposed rule change deletes from the CHX rules all remaining references to the trading of options and handling of options orders, which in turn, excuses the Exchange from any obligation to serve on the OSRC.

The proposed rule change was published for comment in the **Federal Register** on June 13, 2002.[5] The Commission received no comments on the proposal.

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[6] and, in particular, the requirements of Section 6 of the Act[7] and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change is consistent with Section 6(b)(5) of the Act,[8] which requires, among other things, that the Exchange's rules be designed to promote just and equitable principles of trade, to remove impediments and to 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 Commission believes that the rule change appropriately conforms the CHX rules to the current scope of the CHX's operations, which does not currently include operating an options market.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[9] that the proposed rule change (File No. SR–CHX–2002–14) be, and it hereby is, approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 02–18700 Filed 7–23–02; 8:45 am]

BILLING CODE 8010–01–P

[3] *See* Securities Exchange Act Release No. 17075 (August 19, 1980), 45 FR 56486 (August 25, 1980).

[4] If the CHX were to continue to serve, it would be responsible for a *pro rata* share of OSRC member examination costs, which CHX states are significant. CHX believes that there is no rationale that supports CHX payment of examination costs attributable to exchanges that are actively trading options, given that CHX does not presently trade options and would have to propose significant rule changes should it elect to commence options trading in the future.

[5] *See* Securities Exchange Act Release No. 46044 (June 6, 2002), 67 FR 40761 (June 13, 2002).

[6] In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[7] 15 U.S.C. 78f.

[8] 15 U.S.C. 78f(b)(5).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–46227; File No. SR–NYSE–2001–18]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to the Proposed Rule Change Relating to NYSE Rule 72 Regarding Clean Crosses of Orders of 100,000 Shares or More, and Providing That a Specialist May Not Effect a Proprietary Transaction to Provide Price Improvement to One Side of a Clean Cross or the Other

July 18, 2002.

I. Introduction

On July 3, 2001, the New York Stock Exchange, Inc. (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC''), 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 NYSE Rule 72(b) to (i) permit clean crosses of 100,000 shares or more when a member organization is facilitating a customer order; and (ii) provide that a specialist may not effect a proprietary transaction to break up a cross being effected under the Rule. The proposal was published for notice and comment in the **Federal Register** on November 6, 2001.[3] The Commission received three comments on the proposal.[4] On January 29, 2002, the NYSE responded to the comments.[5]

On June 18, 2002, the NYSE amended the proposal by removing the proposed amendment to Rule 72(b) relating to clean crosses of 100,000 shares or more.[6] This order approves the proposed rule change. Also, Amendment No. 1 is approved on an accelerated basis.

II. Description of the Proposed Rule Change

As a result of Amendment No. 1, the proposed rule change consists only of the NYSE's amendment of NYSE Rule 72(b) to provide that a specialist may not effect a proprietary transaction to provide price improvement to one side of a clean cross or the other. The Exchange understands that there may be a perception that specialists can break up a proposed cross transaction by trading for their own account at a minimally improved price, and, thereby, step ahead of a public customer on the other side of the cross. The NYSE believes the proposed rule change, as amended, will preserve the auction market principle of price improvement, since non-proprietary interest of specialists and particular Floor brokers in the market may offer price improvement at any minimum variation.

III. Discussion and Commission Findings

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[7] and, in particular, the

[9] 15 U.S.C. 78s(b)(2).

[10] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Securities Exchange Act Release No. 45004 (October 31, 2001), 66 FR 56143.

[4] *See* November 27, 2001 letter from Craig S. Tyle, General Counsel, Investment Company Institute, to Jonathan G. Katz, Secretary, SEC (''ICI Letter''); December 18, 2001 letter from Thomas N. McManus, Executive Director and Counsel, Morgan Stanley (''Morgan Stanley Letter''); February 11, 2002 letter from Alton B. Harris, Ungaretti & Harris (''Ungaretti Letter''). All of the comment letters focused on the provision allowing clean crosses of 100,000 shares or more when a member organization is facilitating a customer order. This provision was subsequently deleted from the proposed rule change. See footnote 6, *infra*. The Commission reviewed the comment letters. Because the letters pertained to those portions of the original proposed rule change that were subsequently removed by Amendment No. 1, the Commission has not included a summary of comments in this order.

[5] *See* January 29, 2002 letter from Darla C. Stuckey, Corporate Secretary, NYSE, to Jonathan G. Katz, Secretary, SEC (''NYSE Response Letter'').

[6] *See* June 14, 2002 letter from Darla C. Stuckey, Corporate Secretary, NYSE, to Nancy J. Sanow, Assistant Director, Division of Market Regulation, SEC and attachments (''Amendment No. 1'').

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