

certain financing activities related to WGL Holdings and its subsidiaries, including the establishment of a system money pool (the "Money Pool"). The Prior Orders permitted the addition of new subsidiaries as lenders to the Money Pool; however, Commission approval was required for the addition of new borrowers. In addition, the Prior Orders authorized WGL Holdings to invest not more than \$100 million ("Investment Limit") in existing or newly formed, direct or indirect nonutility subsidiaries that are engaged in the business of providing financing for purchases of energy-related equipment, goods, or services ("Consumer Finance Subsidiaries").

In accordance with the Prior Orders, WGL Holdings formed a new Consumer Finance Subsidiary, Washington Gas Credit Corp. ("WGCC"). Applicants now request that the Commission authorize WGCC's participation in the Money Pool as a borrower. Applicants state that all the borrowings of WGCC will count against the Investment Limit. Further, Applicants state that the addition of WGCC to the Money Pool requires no changes to the terms and conditions of the System Money Pool Agreement filed as an exhibit to the application-declaration in this matter.

**Cascade Investment, L.L.C., and William H. Gates III (70-9865)**

Cascade Investment, L.L.C. ("Cascade"), a limited liability company formed under the laws of the State of Washington, 2365 Carillon Point, Kirkland, Washington 98033, and its sole member, William H. Gates III, One Microsoft Way, Redmond, Washington, 98033 ("Mr. Gates," and together with Cascade, "Applicants"), have filed an application under sections 9(a)(2) and 10 of the Act.

Applicants request approval of their acquisition of 5% or more, but less than 10%, of the outstanding voting securities of Avista Corporation ("Avista"), Otter Tail Power Company ("Otter Tail"), and Public Service Company of New Mexico ("PSNM"), each of which is a "public-utility company" as defined in section 2(a)(5) of the Act. Applicants state that neither is an "affiliate," as defined in section 2(a)(11)(A) of the Act, of any other public-utility company.

Mr. Gates is Chairman of the Board, Chief Software Architect, and a major shareholder of Microsoft Corporation, which develops, manufactures, licenses and supports software products for business and person applications. Applicants state that Cascade was formed in 1995 to make and hold certain investments for Mr. Gates, that

Cascade invests in and holds the securities of numerous publicly and privately held companies, and that Cascade does not have any active business operations of its own.

Cascade currently holds 2,887,500 shares (or approximately 6.12%) of the outstanding common stock of Avista, 1,399,500 shares (or approximately 5.87%) of the outstanding common stock of Otter Tail, and 2,344,500 shares (or approximately 5.99%) of the outstanding common stock of PSNM. Applicants state that these shares were purchased on the open market solely for the purpose of investment, that they have filed joint statements on Schedule 13G under the Securities Exchange Act of 1934 with respect to each of these three investments, and that neither Cascade nor Gates has any management arrangement with any of these companies.

Avista, a Washington corporation, provides electricity and natural gas distribution and transmission services in a 26,000 square mile area in eastern Washington and northern Idaho with a population of approximately 835,000 and natural gas distribution service in a 4,000 square mile area in northeast and southwest Oregon and in the South Lake Tahoe region of California with a population of approximately 500,000. At December 31, 1999, Avista provided retail electric service to approximately 309,000 customers and retail natural gas service to approximately 269,000 customers. Avista is subject to regulation as to retail rates by the public utilities commissions of Washington, Idaho, Oregon, and California and as to wholesale electric rates by the Federal Energy Regulatory Commission ("FERC").

Otter Tail, a Minnesota corporation, produces, transmits, distributes and sells electric energy in a predominantly agricultural area in western Minnesota, eastern North Dakota and northeastern South Dakota. The population in this service area is approximately 230,000. Otter Tail is subject to regulation as to retail rates by the public utilities commissions in Minnesota, North Dakota and South Dakota and as to wholesale electric rates by the FERC.

PSNM, a New Mexico corporation, generates, transmits, distributes and sells electricity and transmits, distributes and sells natural gas in parts of New Mexico, including the cities of Albuquerque and Santa Fe. As of December 31, 1999, PSNM provided public utility service to approximately 361,000 retail electric customers and 426,000 retail gas customers. PSNM is subject to regulation as to retail rates by the New Mexico Public Regulation

Commission and as to wholesale electric rates by the FERC.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 01-11207 Filed 5-3-01; 8:45 am]

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-44228; File No. SR-NASD-2001-26]

**Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to a Qualification Examination for a New Limited Registration Category: Limited Representative-Private Securities Offerings (Series 82)**

April 27, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on April 3, 2001, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly-owned subsidiary, NASD Regulation, Inc. ("NASD Regulation"), 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 NASD Regulation. NASD Regulation has designated the proposed rule change as constituting a "non-controversial" rule change under paragraph (f)(6) of Rule 19b-4 under the Act,<sup>3</sup> which renders the proposal effective upon receipt of this filing by the Commission.<sup>4</sup> 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**

NASD Regulation is filing with the Commission the examination specifications and study outline for the Limited Representative-Private Securities Offerings (Series 82) examination program. The Series 82

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

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

<sup>3</sup> 17 CFR 240.19b-4(f)(6).

<sup>4</sup> See Letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, Inc. from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000.

examination program is proposed in connection with a proposed change to NASD Rule 1032<sup>5</sup> to implement section 203 of the Gramm-Leach-Bliley Act of 1999 ("GLBA"),<sup>6</sup> which requires the NASD, as a registered securities association, to create a new limited registration category for any associated person of a member whose investment banking and securities business is limited solely to affecting sales of private securities offerings. NASD Regulation is not proposing any textual changes to the By-Laws, Schedules to the By-Laws, or Rules of NASD Regulation or the NASD.

A description of the Series 82 examination is included in a study outline prepared by NASD Regulation. Confidential information on the examination is included in the examination specifications, which have been omitted from this filing and are being submitted under separate cover to the Secretary of the SEC pursuant to Rule 24b-2 under the Act.

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

In its filing with the Commission, NASD Regulation included statements concerning the purpose of an 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 IV below. NASD Regulation 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 GLBA requires the creation of a new limited registration category for private securities offerings. More specifically, Title II of the GLBA, which becomes effective on May 12, 2001 (or such later date on which Title II of GLBA becomes effective), requires the NASD, as a registered securities association, to create a limited

registration category for any associated person of a member whose investment banking and securities business is limited solely to effecting sales of private securities offerings. Therefore, pursuant to Section 15(A)(g)(3) of the Act, which requires the NASD to prescribe standards of training, experience, and competence for persons associated with NASD members, the NASD has developed the proposed Series 82 examination program to establish that persons associated with NASD members who are seeking to register under the new limited registration category for private securities offerings have attained specified levels of competence and knowledge.

The proposed Series 82 Limited Representative-Private Securities Offerings examination will be an NASD examination that qualifies an associated person of a member, whose investment banking and securities business is limited solely to effecting sales of private securities offerings, to effect such sales. This examination tests a candidate's knowledge of securities industry rules and regulations pertinent to such products. The Series 82 will not qualify a registered representative in this category to effect sales of municipal or government securities, equity interests in or the debt of direct participation programs (DPP securities), or resales of or secondary market transactions in private placement securities. Persons seeking to effect the aforementioned sales must register in one or more of the other NASD limited representative categories or as a General Securities Registered Representative and pass the appropriate qualification examination(s).

A committee of industry representatives, in conjunction with NASD Regulation staff, developed the series 82 study outline and specifications. The examination will be divided into four topical sections. The topical sections and the number of questions designated to each such section are: Characteristics of Corporate Securities (14); Regulation of the The Market for Registered and Unregistered Securities (45); Analyzing Corporate Accounts and Industry Regulations (26). The specifications for the Series 82 examination, which have been omitted from this filing and are being submitted under separate cover to the Secretary of the SEC pursuant to Rule 24b-2 under the Act, describe additional confidential information regarding the examination.

The examination will be a 150 minutes, 100 multiple choice question

examination with 70% as the passing score.

#### **(2) Statutory Basis**

NASD Regulation believes that the proposed Series 82 examination program is consistent with the provisions of sections 15A(b)(6) and 15A(g)(3) of the Act, which authorize the NASD to prescribe standards of training, experience, and competence for persons associated with NASD members. The proposed Series 82 examination program also is necessary to implement section 203 of the GLBA.

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

NASD Regulation does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

### *(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

Written comments were neither solicited nor received.

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

The proposed rule change has been filed by the Association as a "non-controversial" rule change under Rule 19b-4(f)(6) under the Act.<sup>7</sup> Consequently, because the foregoing proposed rule change: (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 until May 12, 2001 (or such later date on which Title II of the GLBA becomes effective), more than 30 days after the date on which it was filed, and NASD Regulation provided the Commission with written notice of its intent to file the proposed rule change at least five days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(f)(6) thereunder.

At any time within 60 days of this filing, the Commission may summarily abrogate this proposal if it appears to the Commission that such action is necessary or appropriate in the 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

<sup>5</sup> On November 28, 2000, the NASD, through its wholly-owned subsidiary, NASD Regulation, filed with the Commission SR-NASD-00-69, proposing amendments to NASD Rule 1032 to create a new limited registration category for private securities offerings. NASD Regulation filed Amendment No. 1 to the proposed rule change on February 28, 2001. Amendment No. 1 replaced the filing in its entirety. See Release No. 34-44091 (March 21, 2001), 66 FR 16964 (March 28, 2001).

<sup>6</sup> Gramm-Leach-Bliley Act of 1999, Pub. L. No. 106-102, 113 Stat. 1338 (1999).

<sup>7</sup> 17 CFR 240.19b-4(f)(6).

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 such filing will also be available for inspection and copying at the principal of the NASD. All submissions should refer to the file number in the caption above and should be submitted by May 25, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority:<sup>8</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 01-11208 Filed 5-3-01; 8:45 am]

**BILLING CODE 8010-01-M**

## **SMALL BUSINESS ADMINISTRATION**

### **[Declaration of Disaster #3336]**

#### **State of Kansas**

As a result of the President's major disaster declaration on April 27, 2001, I find that Barton County in the State of Kansas constitutes a disaster area due to damages caused by severe storms and tornadoes that occurred April 21, 2001 and continuing. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on June 26, 2001, and for loans for economic injury until the close of business on January 28, 2002 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Fort Worth, TX 76155.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Ellsworth, Pawnee, Rice, Rush, Russell and Stafford Counties in Kansas.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere .....	6.625
Homeowners without credit available elsewhere .....	3.312
Businesses with credit available elsewhere .....	8.000
Businesses and non-profit organizations without credit available elsewhere .....	4.000
Others (including non-profit organizations) with credit available elsewhere .....	7.125
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere .....	4.000

The number assigned to this disaster for physical damage is 333611 and for economic injury the number is 9L5900.

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

Dated: April 30, 2001.

**Herbert L. Mitchell,**

*Associate Administrator for Disaster Assistance.*

[FR Doc. 01-11250 Filed 5-3-01; 8:45 am]

**BILLING CODE 8025-01-P**

## **SMALL BUSINESS ADMINISTRATION**

### **[Declaration of Disaster #3333]**

#### **State of Mississippi; (Amendment #1)**

In accordance with a notice received from the Federal Emergency Management Agency, dated April 27, 2001, the above-numbered Declaration is hereby amended to include Leake, Neshoba and Pontotoc Counties in the State of Mississippi as disaster areas caused by flooding and severe storms occurring between April 3-5, 2001.

In addition, applications for economic injury loans from small businesses located in Calhoun, Kemper, Lafayette, Lauderdale, Newton and Scott Counties in the State of Mississippi 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.

All other information remains the same, i.e., the deadline for filing applications for physical damage is June 17, 2001 and for economic injury the deadline is January 17, 2002.

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

Dated: April 27, 2001.

**James E. Rivera,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 01-11248 Filed 5-3-01; 8:45 am]

**BILLING CODE 8025-01-P**

## **SMALL BUSINESS ADMINISTRATION**

### **[Declaration of Disaster #3334]**

#### **State of New York (And Contiguous Counties in Pennsylvania)**

Sullivan County and the contiguous counties of Delaware, Orange and Ulster in the State of New York; and Wayne and Pike Counties in the Commonwealth of Pennsylvania constitute a disaster area due to damages caused by flooding that occurred on December 17, 2000. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on June 26, 2001 and for economic injury until the close of business on January 28, 2002 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd., South 3rd Floor, Niagara Falls, NY 14303.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere .....	7.000
Homeowners without credit available elsewhere .....	3.500
Businesses with credit available elsewhere .....	8.000
Businesses and non-profit organizations without credit available elsewhere .....	4.000
Others (including non-profit organizations) with credit available elsewhere .....	7.000
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere .....	4.000

The numbers assigned to this disaster for physical damage are 333406 for New York and 333506 for Pennsylvania. For economic injury, the numbers are 9L5300 for New York and 9L5400 for Pennsylvania.

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

Dated: April 27, 2001.

**John Whitmore,**

*Acting Administrator.*

[FR Doc. 01-11249 Filed 5-3-01; 8:45 am]

**BILLING CODE 8025-01-P**

<sup>8</sup> 17 CFR 200.30-3(a)(12).