

by allowing the linked markets to more easily access better prices available on the participant exchanges.

The Commission finds good cause to grant temporary effectiveness to the proposed Linkage Plan amendment, for 120 days, until January 18, 2001. The Commission believes that it is necessary and appropriate in the public interest, for the maintenance of fair and orderly markets, to remove impediments to, and perfect mechanisms of, a national market system to allow the PCX to become a participant in the Linkage Plan. The commission finds, therefore, that granting temporary effectiveness of the proposed Linkage Plan amendment is appropriate and consistent with Section 11A of the Act.⁸

IV. Conclusion

It Is Therefore Ordered, pursuant to Section 11A of the Act⁹ and Rule 11Aa3-2 thereunder,¹⁰ that the proposed Linkage Plan amendment is approved for 120 days, through January 18, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43311, File No. 4-429]

Joint Industry Plan; Notice of Filing and Order Granting Temporary Effectiveness of Amendment to the Options Intermarket Linkage Plan

September 20, 2000.

Pursuant to section 11A(a)(3) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 11Aa3-2 thereunder,² notice is hereby given that on September 20, 2000, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "Commission") an amendment to the Options Intermarket Linkage Plan ("Linkage Plan").³ The amendment

proposes to add the Phlx as a participant to the Linkage Plan. The Commission is publishing this notice and order to solicit comments from interested persons on the proposed Linkage Plan amendment, and to grant temporary effectiveness to the proposed Linkage Plan amendment through January 18, 2001.

I. Description and Purpose of the Amendment

The current participants to the Linkage Plan are Amex, CBOE, and ISE. The proposed amendment to the Linkage Plan would add the Phlx as a participant to the Linkage Plan. The Phlx has submitted a signed copy of the Linkage Plan to the Commission in accordance with the procedures set forth in the Linkage Plan regarding new participants. Section 4(c) and 5(c)(ii) of the Linkage Plan provide for the admission of new participants, in which eligible exchanges⁴ may become a party to the plan by: (i) executing a copy of the plan, as then in effect; (ii) effecting an amendment to the plan reflecting the addition of the new participant's name and obtaining the Commission's approval of the plan as amended to reflect the new participant; and (iii) paying the applicable fee.

II. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Linkage Plan amendment 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, and all written statements with respect to the proposed Linkage Plan amendment that are filed with the Commission, and all written communications relating to the proposed Linkage Plan amendment between the Commission and any person, other than those 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 also will be available at the principal offices of the

Phlx. All submissions should refer to File No. 4-429 and should be submitted by October 30, 2000.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Plan Amendment

After careful review, the Commission finds that the proposed Linkage Plan amendment is consistent with the requirements of the Act and the rules and regulations thereunder.⁵ Specifically, the Commission believes that the proposed amendment, which permits Phlx to become a participant to the Linkage Plan, is consistent with Section 11A(a)(1)(D) of the Act,⁶ in which Congress found that the linking of all markets for qualified securities through communication and data processing facilities will foster efficiency, enhance competition, increase the information available to brokers, and investors, facilitate the offsetting of investors' orders, and contribute to best execution of such orders. The Commission believes the proposed amendment to include Phlx as a participant in the Linkage Plan is also consistent with Rule 11Aa3-2⁷ in that it will contribute to the maintenance of fair and orderly markets and remove impediments to and perfect the mechanisms of a national market system by allowing the linked markets to more easily access better prices available on the participant exchanges.

The Commission finds good cause to grant temporary effectiveness to the proposed Linkage Plan amendment, for 120 days, until January 18, 2001. The Commission believes that it is necessary and appropriate in the public interest, for the maintenance of fair and orderly markets, to remove impediments to, and perfect mechanisms of, a national market system to allow the Phlx to become a participant in the Linkage Plan. The Commission finds, therefore, that granting temporary effectiveness of the proposed Linkage Plan amendment is appropriate and consistent with Section 11A of the Act.⁸

IV. Conclusion

It Is Therefore Ordered, pursuant to Section 11A of the Act⁹ and Rule 11Aa3-2 thereunder,¹⁰ that the proposed Linkage Plan amendment is

⁸ 15 U.S.C. 78k-1.

⁹ 15 U.S.C. 78k-1.

¹⁰ 17 CFR 240.11Aa3-2.

¹¹ 17 CFR 200-30-3(a)(29).

¹ 15 U.S.C. 78k-1(a)(3).

² 17 CFR 240.11Aa3-2.

³ On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating an intermarket options market linkage proposed by the American Stock Exchange LLC ("Amed"), the Chicago Board Options Exchange, Inc. ("CBOE"), and the

International Securities Exchange LLC ("ISE"). See Securities Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000).

⁴ The Plan defines an "eligible exchange" as a national securities exchange registered with the Commission pursuant to Section 6(a) of the Act, 15 U.S.C. 78f(a), that is a participant in the Options Clearing Corporation and a party to the Options Price Reporting Authority Plan.

⁵ In approving this proposed Linkage Plan amendment, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78k-1(a)(1)(D).

⁷ 17 CFR 240.11Aa3-2.

⁸ 15 U.S.C. 78k-1.

⁹ 15 U.S.C. 78k-1.

¹⁰ 17 CFR 240.11Aa3-2.

approved for 120 days, through January 18, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [to be published]

STATUS: Closed meeting.

PLACE: 450 Fifth Street NW., Washington, DC.

DATE PREVIOUSLY ANNOUNCED: September 20, 2000.

CHANGE IN THE MEETING: Cancellation of meeting.

The closed meeting scheduled for Wednesday, September 27, 2000 at 11:00 a.m. has been cancelled.

Dated: September 26, 2000.

Jonathan G. Katz,
Secretary.

[FR Doc. 00-25095 Filed 9-26-00; 4:11 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43330; File No. SR-NASD-00-39]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment Nos. 1 and 2 by the National Association of Securities Dealers, Inc. Relating to an Amendment to Schedule A of the NASD By-Laws for the Timely Filing of Reports, and Amendments to IM-9216, Minor Rule Violation Plan

September 22, 2000.

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 June 20, 2000, 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 ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been

prepared by NASD Regulation. NASD Regulation amended the proposal on September 5, 2000.³ On September 21, 2000, NASD Regulation again amended the proposal.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

NASD Regulation proposes to amend Schedule A of the NASD By-Laws for the Timely Filing of Reports, and to amend IM-9216, Minor Rule Violation Plan of the Association, to permit the Association to set late fees to encourage the timely filing of reports and to expand the Association's Minor Rule Violation Plan pursuant to SEC Rule 19d-1.⁵ Below is the text of the proposed rule change. Proposed new language is in italics.

* * * * *

Schedule A to the NASD By-Laws

Assessments and fees pursuant to the provisions of Article VI of the By-Laws of the NASD shall be determined on the following basis:

* * * * *

Section 2—Fees

(a) through (k) No Change.

(l)(1) Unless a specific temporary extension of time has been granted, there shall be imposed upon each member required to file reports, as designated by this paragraph, a fee of \$100 for each day that such report is not timely filed. The fee will be assessed for a period not to exceed 10 business days. Requests for such extension of time must be submitted to the Association at least three business days prior to the due date; and

(2) Any report filed pursuant to this Rule containing material inaccuracies or filed incompletely shall be deemed not to have been filed until a corrected copy of the report has been resubmitted.

(3) List of Designated Reports:

³ See September 1, 2000 letter from Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation to Joseph P. Morra, Special Counsel, Division of Market Regulation, SEC ("Amendment No. 1"). In Amendment No. 1, NASD Regulation made technical, non-substantive changes to the original proposal. In addition, NASD Regulation provided clarifying language to assist in describing the requirements under Rule 1120.

⁴ See September 19, 2000 letter from Gregory J. Dean, Jr., Assistant General Counsel, NASD Regulation to Joseph P. Morra, Special Counsel, Division of Market Regulation, SEC ("Amendment No. 2"). In Amendment No. 2, NASD Regulation corrected the reference to SEC Rule 19d-1(c)(2) in the title to IM-9216.

⁵ 17 CFR 240.19d-1.

(A) SEC Rule 17a-5—Monthly and quarterly FOCUS reports and annual audit reports.

* * * * *

IM-9216. Violations Appropriate for Disposition Under Plan Pursuant to SEC Rule 19d-1(c)(2)

- Rule 2210(b) and (c) and Rule 2220(b) and (c)—Failure to have advertisement and sales literature approved by a principal prior to use; failure to maintain separate files of advertisements and sales literature containing required information; and failure to file advertisements with the Association within the required time limits.

- Rule 3360—Failure to timely file reports of short positions on Form NS-1.

- Rule 3110—Failure to keep and preserve books, accounts, records, memoranda, and correspondence in conformance with applicable laws, rules, regulations and statements of policy promulgated thereunder, and with the Rules of the Association.

- Rule 8211, Rule 8212, and Rule 8213—Failure to submit trading data as requested.

- Article IV of the NASD By-Laws—Failure to timely submit amendments to Form BD.

- Article V of the NASD By-Laws—Failure to timely submit amendments to Form U-4.

- Rule 1120—Failure to comply with continuing education requirements.

- Rule 3010(b)—Failure to timely file reports pursuant to the Taping Rule.

- Rule 3070—Failure to timely file reports.

- Rule 4619(d)—Failure to timely file notifications pursuant to SEC Regulation M.

- Rules 4632, 4642, 4652, 6240, 6420, 6550, 6620, And 6720—Transaction reporting in equity, convertible debt, and high yield securities.

- Rules 6130 and 6170—Transaction reporting to the Automated Confirmation Transaction Service ("ACT").

- Rule 6953—Synchronization of member business clocks.

- Rules 6954 and 6955—Failure to submit data in accordance with the Order Audit Trail System ("OATS").

- Rule 11870—Failure to abide by Customer Account Transfer Contracts.

- SEC Exchange Act Rule 11Ac1-4—Failure to properly display limit orders.

- SEC Exchange Act Rule 11Ac1-1(c)(5)—Failure to properly update published quotations in certain Electronic Communication Networks ("ECN's").

- SEC Exchange Act Rule 17a-5—Failure to timely file FOCUS reports.

- SEC Exchange Act Rule 17a-11—Failure to timely file net capital reports.

- MSRB Rule A-14—Failure to pay annual fee.

- MSRB Rule G-12—Failure to abide by uniform practice rules.

- MSRB Rule G-14—Failure to submit reports.

- MSRB Rule G-36—Failure to timely submit reports.

- MSRB Rule G-37—Failure to timely submit reports for political contributions.

- MSRB Rule G-38—Failure to timely submit reports detailing consultant activities.

* * * * *

¹¹ 17 CFR 200.30-3(a)(29).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.