

rules and regulations thereunder applicable to a national securities exchange.⁸ Specifically, the Commission believes that the proposal is consistent with the requirements of section 6(b)(5) of the Act,⁹ which requires, among other things that the rules of an exchange be designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest.

In this regard, the Commission notes that the Amex members serving as TPOs on CBOE will be subject to the jurisdiction of the Exchange and thus the Exchange will be responsible for the surveillance of TPOs to ensure that they are in compliance with applicable rules of the Exchange, as well as those rules and regulations under the Act, while conducting business on the Exchange. In addition, CBOE will be responsible for ensuring, among other things, that TPOs' quotes and trades are collected and reported to the Options Price Reporting Authority and that TPOs are disciplined for any CBOE rule violations while they are subject to the Exchange's jurisdiction.

The Commission believes that the CBOE's proposal should enable continuous and liquid markets to be maintained for those options traded on both the Amex and CBOE until the Amex can reopen for trading. By permitting Amex members to trade the products that they normally trade on the Amex should help to ensure that the level of liquidity for these options that existed as of September 10, 2001 would be available when trading resumes in the U.S. markets. This is especially important in light of the upcoming options expiration on September 21, 2001. For these reasons, the Commission believes that the proposal is in the public interest and should provide additional protections to investors when the markets reopen.

The Commission finds good cause for approving the proposed rule change, as amended, prior to the thirtieth day after the date of publication of the notice of filing in the **Federal Register**. The Commission believes that it is necessary to approve the proposed rule change immediately to provide a trading venue

for Amex members when the U.S. markets resume trading.

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act,¹⁰ that the proposed rule change, as amended (SR-CBOE-2001-49) is hereby approved on an accelerated basis.

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. 34-44793; File No. SR-NSCC-2001-15]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Relating to a Temporary Processing Modification for Buy-In Executions

September 14, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 14, 2001, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared primarily by NSCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposed rule change.

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

The purpose of the proposed rule change is to make a temporary processing modification for buy-in executions.

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

In its filing with the Commission, NSCC included statements concerning the purpose of and 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. NSCC has prepared summaries, set forth in sections (A), (B) and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The purpose of the proposed rule change is to make a temporary processing modification for buy-in executions. Under NSCC's buy-in process, NSCC includes information regarding buy-in liability on its CNS Projection Report. Due to the recent tragic events, many NSCC members are operating out of alternate operational sites. Many of these members, for various reasons associated with recent events, have had connectivity difficulties with NSCC. NSCC therefore is concerned that notice of buy-in liability may not have been received by affected members. NSCC therefore intends to not permit buy-in executions when market trading resumes for both the day trading resumes and the day thereafter. Any notice of intention to buy-in affected by this filing will be required to be resubmitted to NSCC.

The proposed rule change will facilitate the orderly, prompt, and accurate clearance and settlement of securities transactions. Thus, the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder.

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

NSCC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

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

Written comments relating to the proposed rule change have not yet been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions.³ Due to recent communications and

⁸ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by NSCC.

³ 15 U.S.C. 78q-1(b)(3)(F).

connectivity disruptions with NSCC, affected members may not have received notice of buy-in liability. Therefore, by not allowing buy-in executions when market trading resumes and on the day thereafter, and by requiring any notice of intention to buy-in affected by this filing to be resubmitted to NSCC, NSCC's proposed rule change should facilitate an orderly return to an environment where the prompt and accurate clearance and settlement of securities transactions is effected. Therefore, the Commission finds that the rule change is consistent with NSCC's obligation under section 17A(b)(3)(F).

NSCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of filing. The Commission finds good cause for approving prior to the thirtieth day after publication of the notice of filing because accelerated approval will permit NSCC to immediately make a temporary processing modification for buy-in executions on the date when trading resumes. The Commission is approving this proposed rule change prior to the expiration of the public comment period in order to allow NSCC to immediately make a temporary processing modification for buy-in executions on the date when trading resumes.

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 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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of NSCC. All submissions should refer to File No. SR-NSCC-2001-15 and should be submitted by October 11, 2001.

It is Therefore Ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-

NSCC-2001-15) be, and hereby is, approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁴

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 44789; File No. SR-NYSE-2001-11]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Amending New York Stock Exchange Rule 342 ("Offices—Approval, Supervision and Control")

September 13, 2001.

On May 15, 2001, the New York Stock Exchange, Inc. 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 amending New York Stock Exchange Rule 342 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 (Series 9/10).

The proposed rule change was published for comment in the **Federal Register** on August 1, 2001.³ 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,⁴ and, in particular, the requirements of Section 6 of the Act⁵ and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change is consistent with Sections 6(b)(5) and 6(c)(3)(B) of the Act.⁶ Section 6(b)(5)⁷ 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 protect investors and the public interest. Under Section 6(c)(3)(B) of the Act,⁸ it the Exchange's responsibility to prescribe standards of training, experience and competence for persons associated with Exchange members and member organizations.

The Commission believes that the proposed rule change promotes the objectives of these sections of the Act by removing duplicative examination requirements. Specifically, the proposed rule change rescinds the prerequisite that Compliance Official candidates from members or member organizations doing a public business take the General Securities Sales Supervisor Qualification Examination (Series 9/10), because that exam contains substantially similar material to the required Compliance Official Qualification Examination (Series 14).

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (File No. SR-NYSE-2001-11) 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.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44790; File No. SR-PCX-2001-26]

Self-Regulatory Organizations; the Pacific Exchange, Inc.; Order Granting Approval of Proposed Rule Change Relating to Accepting Orders From Professional Customers

September 13, 2001.

On July 26, 2001, the Pacific Exchange, Inc. ("PCX" 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 that would allow PCX Floor Brokers and qualified Floor Clerks of

⁴ 17 CFR 200.30-3(a)(12).

⁵ 15 U.S.C. 78s(b)(1).

⁶ 17 CFR 240.19b-4.

⁷ See Securities Exchange Act Release No. 44588 (August 1, 2001), 66 FR 39808.

⁸ In approving this proposed rule change, the Commission notes that it has considered the rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁹ 15 U.S.C. 78f.

¹⁰ 15 U.S.C. 78f(b)(5) and 15 U.S.C. 78f(c)(3)(B).

¹¹ 15 U.S.C. 78f(b)(5).

¹ 15 U.S.C. 78f(c)(3)(B).

² 15 U.S.C. 78s(b)(2).

³ 17 CFR 200.30-3(a)(12).

⁴ 15 U.S.C. 78s(b)(1).

⁵ 17 CFR 240.19b-4.