

(stock) as to which the particular ITS/CAES Market Maker is so registered.

(18)–(25) No Change.

[(26)]“(19c–3” security” means an Eligible Security that is not a “covered security” as that term is defined in SEC Rule 19c–3 as in effect on May 1, 1982.]

[(27)](26)

[(27A)](26A)

[(27B)](26B)

[(27C)](26C)

[(27D)](26D)

[(27E)](26E)

[(28)](27)

[(29)](28)

[(30)](29)

[(31)](30)

[(32)](31)

[(33)](32)

[(34)](33)

[(34A)](33A)

[(34B)](33B)

[(35)](34)

[(36)](35)

[(37)](36)

Section 2. No Change.

Section 3. No Change.

Section 4. No Change.

Section 5. The System.

(a) No Change.

(b) General Operation. (i) No Change.

(ii) Selection of System Securities.

The System is designed to accommodate trading in any Eligible Security in the case of any ITS/CAES Market Maker, trading in one or more ITS/CAES securities in which he is registered as such with the NASD for the purposes of the Applications. The particular securities that may be traded through the System at any time (“System securities”) shall be selected by the Operating Committee. The Operating Committee may add or delete System securities as it deems appropriate and may delay the commencement of trading in any Eligible Security if capacity or other operational considerations shall require such delay. [ITS/CAES securities may be traded by Exchange Participants and ITS/CAES Market Makers as provided in the ITS Plan and other System securities may be traded by Exchange Participants as provided in the ITS Plan.]

(c)–(d) No Change.

Section 6. No Change.

Section 7. No Change.

Section 8. No Change.

Section 9. No Change.

Section 10. No Change.

Section 11. No Change.

* * * * *

Dated: December 9, 1999.

By the Commission.

Jonathan G. Katz,

Secretary.

[FR Doc. 99–32555 Filed 12–15–99; 8:45 am]

BILLING CODE 8010–01–P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94–409, that the Securities and Exchange Commission will hold the following meeting during the week of December 20, 1999.

A closed meeting will be held on Tuesday, December 21, 1999, at 11:00 a.m.

Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552(c) (4), (8), (9)(A) and (10) and 17 CFR 200.402(a) (4), (8), (9)(A) and (10), permit consideration for the scheduled matters at the closed meeting.

Commissioner Johnson, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matters of the closed meeting scheduled for Tuesday, December 21, 1999, will be: Institution and settlement of injunctive actions; and Institution and settlement of administrative proceedings of an enforcement nature.

At times, changes in the Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942–7070.

Dated: December 13, 1999.

Jonathan G. Katz,

Secretary.

[FR Doc. 99–32684 Filed 12–13–99; 4:34 pm]

BILLING CODE 5010–01–M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–42213; File No. SR–NASD–99–71]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change and Amendment No. 1 to the Proposed Rule Change by the National Association of Securities Dealers, Inc. To Delay Date of Commencement for Providing Nasdaq-Generated Best Bid/Offer Inside Quotation From 4:00 p.m. to 6:30 p.m. Eastern Time

December 9, 1999.

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 December 3, 1999, the National Association of Securities Dealers, Inc. (“NASD”), through its wholly owned subsidiary, The Nasdaq Stock Market, Inc. (“Nasdaq”) 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 Nasdaq. On December 6, 1999, Nasdaq filed an amendment to the proposed rule change.³ Nasdaq has designated this proposal as one which does not significantly affect the protection of investors or the public interest, and does not impose any significant burden on competition under section 19(b)(3)(A) of the Act⁴ and rule 19b–4(f)(6) thereunder,⁵ which renders the proposal effective upon filing with the Commission. 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

Nasdaq proposes to defer, until February 7, 2000, the date by which Nasdaq will commence providing an Inside Quote. Nasdaq had originally proposed, and received Commission approval, to provide an Inside Quote commencing on December 6, 1999.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b–4.

³ See December 6, 1999 letter from Thomas Moran, Esquire, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation, SEC (“Amendment No. 1”). In Amendment No. 1, Nasdaq states that it received a letter from the Investment Company Institute (“ICI”) in which the ICI indicated its support of a delay in the implementation of a Nasdaq-generated best bid/offer inside quotation (“Inside Quote”) until February 7, 2000.

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b–4(f)(6).

Nasdaq's commitment to provide an Inside Quote after the regular close of the Nasdaq market between the hours of 4:00 p.m. and 6:30 p.m. Eastern Time is part of a currently-operating pilot program extending the availability of several Nasdaq services and facilities until 6:30 p.m. Eastern Time. That pilot was approved by the Commission,⁶ and commenced on October 25, 1999.

Nasdaq has designated this proposal as non-controversial, and thus eligible for immediate effectiveness pursuant to section 19(b)(3)(A) of the Act⁷ and rule 19b-4(f)(6) thereunder.⁸ Nasdaq requests that the Commission waive both the 30-day pre-operative waiting period and the five-day pre-filing notice requirement contained in rule 19b-4(f)(6)(iii).⁹

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

In its filing with the Commission, Nasdaq 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. Nasdaq 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

On October 13, 1999, the Commission approved a pilot program expanding the operating hours of certain Nasdaq services and facilities until 6:30 p.m. Eastern Time.¹⁰ The pilot commenced on October 25, 1999, and expanded, until 6:30 p.m. Eastern Time, the operation times of the following services: (1) SelectNet Service ("SelectNet"); (2) Automated Confirmation Transaction Service ("ACT"); (3) Nasdaq Quotation Dissemination Service ("NQDS"); and (4) Nasdaq Trade Dissemination Service ("NTDS").

Nasdaq and the Commission received expressions of concern from the mutual fund industry regarding its ability to modify its internal automated computer

systems to calculate in a timely fashion the value of securities held in specific mutual funds if Nasdaq continued to update an Inside Quote after 4:00 p.m. Eastern Time. In response to these concerns, the NASD has decided to defer the implementation of an Inside Quote from its currently-scheduled start date of December 6, 1999, to February 7, 2000.

Nasdaq believes that such deferral will allow mutual fund firms a reasonable opportunity to enhance their internal systems prior to that date. Nasdaq also believes that such deferral strikes a balance between the investor's need for enhanced quote and trade collection and dissemination after the regular close of the Nasdaq market, and technological constraints faced by the mutual fund industry concerning its ability to price accurately the securities held in those funds.

Nasdaq believes that the proposed rule change, as amended, is consistent with the provisions of Section 15A(b)(6) of the Act,¹¹ in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities.

B. Self-Regulatory Organization's Statement on Burden on Competition

Nasdaq 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.

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

No written comments were solicited. Nasdaq received one written comment on its proposal from the ICI, in which the ICI indicated its support of a delay in the implementation of an Inside Quote until February 7, 2000.

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

The proposed rule change, as amended, has become effective pursuant to Section 19(b)(3)(A) of the Act¹² and Rule 19b-4(f)(6) thereunder¹³ because the proposal (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 for 30 days after the date of filing or such shorter time as the Commission may designate if consistent with the protection of investors and the public interest, provided that Nasdaq has given the Commission written notice of its intent to file the proposed rule change at least five business days prior to the filing date of the proposed rule change, or such shorter time as designated by the Commission.¹⁴

Nasdaq has requested that the Commission waive the five-day pre-filing notice requirement contained in Rule 19b-4(f)(6)(iii),¹⁵ and accelerate the operative date.

The Commission finds that it is appropriate to waive the five-day pre-filing notice requirement, and to designate the proposal, as amended, to become operative today, because such designation is consistent with the protection of investors and the public interest. Specifically, the Commission believe that the proposal furthers the goals of the national market system as reflected in Sections 11A(a)(1)(C) (iii) and (iv) of the Act.¹⁶ Congress found in those provisions that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability to brokers, dealers, and investors of information with respect to quotations for and transactions in securities, and to assure the practicability of brokers executing investors' orders in the best market. The proposal will help to assure the availability of information with respect to quotations and transactions because it will allow the mutual fund industry a reasonable amount of time to adjust its internal systems, thereby helping to ensure that the systems operate accurately, efficiently, and without disruption.

The Commission also finds that the proposed rule change is consistent with Section 15A of the Act¹⁷ in general, and Section 15A(b)(6) of the Act¹⁸ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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

⁶ See Securities Exchange Act Release No. 42003 (October 13, 1999), 64 FR 56554 (October 20, 1999) (NASD-SR-99-57).

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

⁹ 17 CFR 240.19b-4(f)(6)(iii).

¹⁰ See Securities Exchange Act Release No. 42003 (October 13, 1999), 64 FR 56554 (October 20, 1999) (NASD-SR-99-57).

¹¹ 15 U.S.C. 78o-3(b)(6).

¹² 15 U.S.C. 78s(b)(3)(A).

¹³ 17 CFR 240.19b-4(f)(6).

¹⁴ In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁵ 17 CFR 240.19b-4(f)(6)(iii).

¹⁶ 15 U.S.C. 78k-1(a)(1)(C) (iii) and (iv).

¹⁷ 15 U.S.C. 78o-3.

¹⁸ 15 U.S.C. 78o-3(b)(6).

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. The proposal accomplishes these objectives by allowing the mutual fund industry an opportunity to reconfigure its internal systems, thereby helping to ensure a seamless transition to a time when Nasdaq provides an Inside Quote from 4:00 p.m. until 6:30 p.m. Eastern Time.

For these reasons, the Commission finds that designation of the proposal to become operative today is consistent with the protection of investors and the public interest.

At any time within 60 days of the filing of this proposed rule change, the Commission may summarily abrogate this rule change if it appears to the Commission that such action is necessary or appropriate in the public interest or 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 arguments concerning the foregoing, including whether the proposal 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 office of the NASD. All submissions should refer to file number SR-NASD-99-71, and should be submitted by January 6, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁹

Jonathan G. Katz,
Secretary.

[FR Doc. 99-32256 Filed 12-15-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42214; File No. SR-NASD-99-61]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc., Amending Its Rules for the Listing of Additional Shares

December 9, 1999.

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 October 19, 1999, the National Association of Securities Dealers, Inc. ("NASD"), through its wholly owned subsidiary the Nasdaq Stock Market, Inc. ("Nasdaq"), 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 the NASD. 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

The NASD is proposing to modify the notification requirements under the Nasdaq's Listing of Additional Shares ("LAS") Program and to make conforming changes to procedures for calculating the related LAS fee. Below is the text of the proposed rule change. Proposed new language appears in italic; proposed deletions are bracketed.

* * * * *

4310. Qualification Requirements for Domestic and Canadian Securities

To qualify for inclusion in Nasdaq, a security of a domestic or Canadian issuer shall satisfy all applicable requirements contained in paragraphs (a) or (b), and (c) hereof.

(a) No change.

(b) No change.

(c) In addition to the requirements contained in paragraph (a) or (b) above, and unless otherwise indicated, a security shall satisfy the following criteria for inclusion in Nasdaq:

(1)-(16) No change.

(17) The issuer shall be required to [file on a form designated by Nasdaq notification of the creation of a stock option, employee stock purchase or other stock remuneration plan or the issuance of additional shares of any class of securities included in Nasdaq, except for the issuance of additional

shares under a stock option, employee stock purchase or other stock remuneration plan, no later than 15 calendar days prior to the creation of the plan or the issuance of additional shares.] *notify Nasdaq on the appropriate form no later than 15 calendar days prior to:*

(A) *establishing a stock option plan, purchase plan or other arrangement pursuant to which stock may be acquired by officers or directors without shareholder approval; or*

(B) *issuing securities that may potentially result in a change of control of the issuer; or*

(C) *issuing any common stock or security convertible into common stock in connection with the acquisition of the stock or assets of another company, if any officer or director or substantial shareholder of the issuer has a 5% or greater interest (or if such persons collectively have a 10% or greater interest) in the company to be acquired or in the consideration to be paid; or*

(D) *entering into a transaction that may result in the potential issuance of common stock (or securities convertible into common stock) greater than 10% of either the total shares outstanding or the voting power outstanding on a pre-transaction basis.*

(18)-(28) No change.

(d) No change.

4320. Qualification Requirements for Non-Canadian Foreign Securities and American Depositary Receipts

To qualify for inclusion in Nasdaq, a security of a non-Canadian foreign issuer, an American Depositary Receipt (ADR) or similar security issued in respect of a security of a foreign issuer shall satisfy the requirements of paragraphs (a), (b) or (c), and (d) and (e) of this Rule.

(a)-(d) No change.

(e) In addition to the requirements contained in paragraph (a), (b) or (c), and (d), the security shall satisfy the following criteria for inclusion in Nasdaq:

(1)-(14) No change.

(15) The issuer shall be required to [file on a form designated by Nasdaq notification of creation of a stock option, employee stock purchase or other stock remuneration plan or the issuance of additional shares of any class of securities included in Nasdaq, except for the issuance of additional shares under a stock option, employee stock purchase or other stock remuneration plan, no later than 15 calendar days prior to the creation of the plan or the issuance of additional shares.] *notify Nasdaq on the appropriate form no later than 15 calendar days prior to:*

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

¹⁹ 17 CFR 200.30-3(a)(12).