

affidavit or, in the case of an attorney at law, by certificate) should be filed with the request. Any request for hearing should identify specifically the issues of facts or law that are disputed. A person who so requests will be notified of any hearing, if ordered, and will receive a copy of any notice or order issued in the matter. After March 28, 2000, the application(s) and/or declaration(s), as filed or as amended, may be granted and/or permitted to become effective.

#### Eastern Utilities Associates (70-9611)

Eastern Utilities Associates ("EUA"), a registered holding company located at 750 West Center Street, P.O. Box 543, West Bridgewater, Massachusetts 02379, has filed a declaration under section 12(b) of the Act and rules 45 and 54 under the Act.

EUA requests Commission approval to guaranty certain performance obligations of EUA Cogenex Corporation ("Cogenex"), a wholly owned nonutility subsidiary of EUA, in connection with (1) Cogenex's sale of certain ("Asset Sale") to Fleet Business Credit Corporation ("Fleet"), and (2) the proposed restructuring and additional funding by Fleet of certain Cogenex contracts previously sold to Fleet under a separate program agreement ("Restructuring").

Under the Asset Sale and the Restructuring, Cogenex proposes to sell to Fleet, for 475 million, approximately \$81 million dollars worth of assets, which will include energy service contracts, notes receivable, and energy efficient equipment. EUA estimates that the energy service contracts will generate, as of January 1, 2000, approximately \$110 million of gross cash flow.

As a condition to entering into the Asset Sale and the Restructuring, Fleet has requested that EUA (or its agreed upon successor) (1) Maintain a 51% ownership interest in Cogenex, and (2) Guaranty Cogenex's obligations under the Asset Sale and the Restructuring, including the continued service and performance of the energy service contracts ("Performance Guaranty"). Under the Asset Sale and Restructuring, Fleet will assume all third party credit risk under the contracts. The total principal subject to the Performance Guaranty will be approximately \$100 million (\$75 million for the Asset Sale and Restructuring and \$25 million previously funded by Fleet prior to the Restructuring).

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

Jonathan G. Katz,  
Secretary.

[FR Doc. 00-6077 Filed 3-10-00; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42498; File No. SR-Amex-99-21]

### Self-Regulatory Organizations; Order Approving a Proposed Rule Change by the American Stock Exchange LLC Amending Section 106 of the Amex Company Guide

March 6, 2000.

#### I. Introduction

On June 10, 1999, the American Stock Exchange LLC ("Exchange" or "Amex"), submitted to the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change amending Section 106 of the *Amex Company Guide*. The Exchange filed Amendments No. 1<sup>3</sup> and No. 2<sup>4</sup> to the proposed rule change on June 14, 1999 and December 1, 1999, respectively. The proposed rule change, as amended, was published for comment in the **Federal Register** on January 24, 2000.<sup>5</sup> The Commission received no comments on

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

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

<sup>3</sup> Letter from Scott Van Hatten, Amex, to Richard Strasser, Assistant Director, Division of Market Regulation ("Division"), Commission, dated June 11, 1999 ("Amendment No. 1"). The Exchange originally filed the proposed rule change under Section 19(b)(3)(A) of the Act. Pursuant to Commission staff's request, the Exchange refiled the proposed rule change under Section 19(b)(2) of the Act.

<sup>4</sup> Letter from Scott Van Hatten, Amex, to Nancy Sanow, Assistant Director, Division, Commission, dated December 1, 1999 ("Amendment No. 2"). Amendment No. 2 states that the Exchange will issue a circular prior to trading any new index warrant pursuant to Rule 19b-4(e) to (i) highlight specific risks associated with warrants on new indexes and remind members that index warrants are direct obligations of the issuer, which are not subject to a clearing house guarantee, (ii) clarify that index warrants may only be sold to accounts approved for standardized options trading, and (iii) clarify that the Exchange's options suitability standards apply to index warrants. Amendment No. 2 also states that Amex Rules 1100 through 1110, which govern issuer eligibility, margin requirements, discretionary accounts, supervision of accounts, position and exercise limits, reportable positions, and trading halts and suspensions, will apply to index warrants. Finally, Amendment No. 2 states that the Exchange's enhanced surveillance procedures will continue to apply to surveillance of index warrants traded pursuant to rule 19b-4(e).

<sup>5</sup> Securities Exchange Act Release No. 42342 (Jan. 14, 2000), 65 FR 3750.

the proposal. This order approves the proposal, as amended.

#### II. Description of the Proposal

The Exchange proposes to amend Section 106 of the *Amex Company Guide* to provide for the trading of stock index industry group warrants<sup>6</sup> pursuant to new Rule 19b-4(e)<sup>7</sup> under the Act. Section 106 of the *Amex Company Guide* currently authorizes the Exchange to trade warrants on a stock index industry group pursuant to Section 19(b)(3)(A) of the Act provided that the index meets the generic criteria set forth in Commentary .02 to Amex Rule 901C.<sup>8</sup> As discussed in the New Products Release, however, the Exchange would no longer be required to submit, pursuant to new Rule 19b-4(e) under the Act, a proposed rule change to trade warrants on a new stock index industry group provided the index meets the generic criteria set forth in Commentary .02 to Amex Rule 901C.

In the New Products Release, the Commission noted that in order to rely on the amendment and not submit filings pursuant to Section 19(b)(3)(A) for warrants that satisfy the criteria of rule 901C, a self-regulatory organization would be required to submit a proposed rule change for Commission approval to eliminate the Section 19(b)(3)(A) rule filing requirement from its existing rules.<sup>9</sup> Accordingly, to enable the Exchange to use new Rule 19b-4(e), the Exchange proposes to eliminate the Section 19(b)(3)(A) rule filing requirement from Section 106 of the *Amex Company Guide*.<sup>10</sup> Amex Rule 901C will remain unchanged. The Exchange represents that the use of new Rule 19b-4(e) will be in accordance with the terms and conditions set forth in the New Products Release.

#### III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of Section 6(b)(5) of

<sup>6</sup> Amex Rule 900C defines "Stock Index Industry Group" as a stock index group relating to a stock index which reflects representative stock market values or prices of a particular industry or related industries (also referred to as a "narrow based index").

<sup>7</sup> See Securities Exchange Act Release No. 40761 (Dec. 8, 1998), 63 FR 70952 (Dec. 22, 1998) ("New Products Release").

<sup>8</sup> The Commission granted approval to list and trade narrow-based index warrants pursuant to Section 19(b)(3)(A) in Securities Exchange Act Release No. 37007 (March 21, 1996), 61 FR 14165 (March 29, 1996).

<sup>9</sup> See *supra* n. 7, at n. 89.

<sup>10</sup> The Commission approved a similar change to Amex Rule 901C to permit the trading of narrow-based index options pursuant to new Rule 19b-4(e). See Securities Exchange Act Release No. 41091 (Feb. 23, 1999), 64 FR 10515 (March 4, 1999).

the Act<sup>11</sup> and the rules and regulations thereunder applicable to a national securities exchange, in that it is designed to facilitate securities transactions and to remove impediments to and perfect the mechanism of a free and open market.<sup>12</sup> The Commission believes that proposed rule change will significantly reduce the Exchange's regulatory burden and allow it to compete more effectively in today's marketplace by facilitating the listing and trading of stock index industry group warrants that meet the generic criteria of Commentary .02 to Exchange Rule 901c. The commission also believes that the proposed rule change will benefit investors by enabling the Exchange to more quickly provide them with tailored products that directly meet their evolving investment needs. The Commission notes that the New Products Release authorizes the Exchange to list and trade certain derivative securities without first riling with the Commission a proposed rule change pursuant to Section 19(b)(3)(A) of the Act, but requires the Exchange to eliminate references to these filing requirements before it can rely on Rule 19b-4(e). The Commission also notes that the Exchange's existing trading rules, procedures, surveillance programs, and listing standards will apply to generic stock index industry group warrants listed and traded on the Exchange and that the Exchange has represented that it will comply with the terms and conditions of the New Product Release.

#### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>13</sup> that the proposed rule change (SR-Amex-99-21), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 00-6008 Filed 3-10-00; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42491; File No. SR-ODD-00-01]

### Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval to Proposed Supplement to Options Disclosure Document Regarding FLEX Equity Options

March 2, 2000.

On March 2, 2000, the Options Clearing Corporation ("OCC") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Rule 9b-1 under the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> five definitive copies of a Supplement to its options disclosure document ("ODD"), which describes, among other things, the risks and characteristics of trading in flexibly structure options ("FLEX options"). In particular, the Supplement deletes the discussion of restrictions on exercise price intervals and exercise prices for FLEX equity call options.<sup>2</sup>

The ODD currently contains general disclosures on the characteristics and risks of trading options on equity securities. The Commission has approved proposals by three options exchanges to remove restrictions on exercise price intervals and exercise prices for FLEX equity call options.<sup>3</sup> The proposed Supplement to the ODD deletes the discussion of these restrictions.

The Commission has reviewed the ODD Supplement and finds that it complies with Rule 9b-1 under the Act.<sup>4</sup> The Supplement is intended to be read in conjunction with the ODD, which discusses the characteristics and risks of options generally. The ODD, along with the Supplement, provides information regarding FLEX options sufficient to describe the special characteristics of these products. Rule 9b-1 provides that an options market must file five preliminary copies of an amended ODD with the Commission at

<sup>1</sup> 17 CFR 240.9b-1.

<sup>2</sup> See Letter from James C. Yong, First Vice President and General Counsel, OCC, to Katherine A. England, Division of Market Regulation, Commission, dated March 1, 2000.

<sup>3</sup> The Commission approved these proposals after the Internal Revenue Service clarified the tax treatment of these options. See Release No. 34-42371 (January 31, 2000), 65 FR 5921 (February 7, 2000) (order approving SR-CBOE-99-63); Release No. 34-42389 (February 7, 2000), 65 FR 8224 (February 17, 2000) (order approving SR-PCX-00-01 and SR-Amex-00-02).

<sup>4</sup> 17 CFR 240.9b-1.

least 30 days prior to the date definitive copies of the ODD are furnished to customers, unless the Commission determines otherwise, having due regard for the adequacy of information disclosed and the protection of investors.<sup>5</sup> The Commission has reviewed the Supplement, and finds that it is consistent with the protection of investors and in the public interest to allow the distribution of the Supplement as of the date of this order.

*It is therefore ordered*, pursuant to Rule 9b-1 under the Act,<sup>6</sup> that the proposed Supplement regarding FLEX equity options (SR-ODD-00-01) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 00-6007 Filed 3-10-00; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42365A; File No. SR-Phlx-99-46]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Registration of Trading Floor Personnel

March 7, 2000.

In FR Document No. 00-2634, on page 5923 for Monday, February 7, 2000, Column 1, the second line of the text of proposed Phlx Rule 620 was incorrectly stated. The words "*Each Floor Broker, Specialist and*" should appear prior to "*Registered Options Trader*." Thus, the first portion of the rule should read as follows: "*(a) Trading Floor Member Registration—Each Floor Broker, Specialist and Registered Options Trader on any Exchange trading floor must register \* \* \**"

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 00-6006 Filed 3-10-00; 8:45 am]

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<sup>5</sup> This provision is intended to permit the Commission either to accelerate or extend the time period in which definitive copies of a disclosure document may be distributed to the public.

<sup>6</sup> 17 CFR 240.9b-1.

<sup>7</sup> 17 CFR 200.30-3(a)(39).

<sup>11</sup> 15 U.S.C. 78f(b)(5).

<sup>12</sup> In approving this rule change, the Commission has considered the proposal's impact on efficiency, competition, and capital formation, consistent with Section 3 of the Act. 15 U.S.C. 78c(f).

<sup>13</sup> 15 U.S.C. 78s(b)(2).

<sup>14</sup> 17 CFR 200.30-3(a)(12).