

publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approved such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

#### 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 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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC.

All submissions should refer to File No. SR-OCC-00-01 and should be submitted by April 21, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>4</sup>

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

[FR Doc. 00-7978 Filed 3-30-00; 8:45 am]

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42577; File No. SR-PCX-00-2]

#### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Pacific Exchange, Inc. Relating to Communications With Customers and Members of the Public

March 27, 2000.

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 February 11, 2000, the Pacific Exchange, Inc. ("PCX" or "Exchange") 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 by the Exchange. On March 8, 2000, the PCX filed Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to approve the proposal on an accelerated basis.

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

The PCX proposes to allow members, member organizations, and associated persons to distribute more than one type of options worksheet to customers or members of the public. The text of the proposed rule change is available at the Office of the Secretary, CBOE and at the Commission.

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

In its filing with the Commission, the PCX 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 III below. The PCX 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 Exchange proposes to amend PCX Rule 9.28 ("Advertisements, Market Letters and Sales Literature Relating to Options") to allow members, member organizations, and associated persons to distribute to customers or members of the public more than one type of

options worksheet to indicate possible outcomes under various market conditions. The proposed rule change: (i) Incorporates worksheets into the definition of "sales literature" and establishes that worksheets must comply with the requirements applicable to sales literature; (ii) adds references to members and associated persons; (iii) deletes references to "standard" worksheets and deletes prohibitions on "nonstandard" worksheets; and (iv) deletes the requirement that worksheets must be uniform within a member organization for each product type. These changes are discussed below.

First, the Exchange proposes to remove the word "standard" from PCX Rule 9.28(e)(ii) to incorporate all worksheets communicated to customers or the public into the definition of "sales literature." Under rule 9.28(e)(ii), these worksheets are defined as sales literature and must comply with the requirements applicable to sales literature.

Second, the Exchange proposes to modify PCX Rule 9.28, Commentary .03(E) to require that any (not just standard form) options worksheets must comply with the requirements applicable to sales literature. Under the current rule, once a member organization adopts a "standard" worksheet for a particular options strategy or product type (e.g., equities, foreign currencies, indexes, etc.), it may only distribute that standard worksheet to a client, and may not illustrate different market conditions through other worksheets.

Third, the Exchange proposes to add references to members and associated persons to PCX Rule 9.28, Commentary .03(E) to clarify that members and associated persons, and not just member organizations, are responsible for utilizing worksheets that comply with requirements applicable to sales literature. Fourth, the Exchange proposes to delete PCX Rule 9.28, Commentary .03(F), which requires that member organizations use a standard form of worksheet for a particular options strategy, to make the Exchange's rules consistent with this proposal. Finally, the Exchange proposes to renumber PCX Rule 9.28, Commentary .03(G) as new PCX Rule 9.28, Commentary .03(F).

The Exchange believes that the proposed rule change will allow members, member organizations, and associated persons to use Exchange or industry-produced worksheets or to tailor worksheets to specific clientele. The Exchange believes the proposed rule change also ensures that when

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

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

<sup>3</sup> In Amendment No. 1, PCX requested that the Commission grant accelerated approval to the proposed rule change. See letter from Robert P. Pacileo, Staff Attorney, Regulatory Policy, PCX, to Richard Strasser, Assistant Director, Division of Market Regulation ("Division"), Commission, dated March 7, 2000. The PCX also changed Exhibit 1 of the proposed rule change to reflect the request for accelerated approval. See e-mail from Robert P. Pacileo, Staff Attorney, Regulatory Policy, PCX, to Joseph P. Corcoran, Attorney, Division, Commission, on March 16, 2000.

<sup>4</sup> 17 CFR 200.30-3(a)(12).

members, member organizations, and associated persons use options worksheets, all such worksheets will comply with the requirements applicable to sales literature.<sup>4</sup>

In addition, the Exchange believes that the proposed rule change will improve the quality of options worksheets that customers or members of the public receive from members, member organizations, and associated persons. The Exchange also believes that the proposed rule change should enhance members' ability to describe properly the risks and benefits of options trading, and should enhance the ability of customers or members of the public to understand these risks and benefits.

## 2. Statutory Basis

The exchange believes that the proposal is consistent with Section 6(b)<sup>5</sup> of the Act, in general, and further the objectives of Section 6(b)(5),<sup>6</sup> in particular, in that it is designed to facilitate transactions in securities and remove impediments to and perfect the mechanism of a free and open market and national market system, and to protect investors and the public interest by allowing the distribution of worksheets that are tailored for specific options strategies.

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

The Exchange does not believe that the proposed rule change will impose 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*

Written comments on the proposed rule change were neither solicited nor received.

## III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule 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 PCX. All submissions should refer to File No. SR-PCX-00-02 and should be submitted by April 21, 2000.

## IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

After careful review, the Commission finds that the proposal is consistent with the requirements of the Act.<sup>7</sup> In particular, the Commission finds the proposal is consistent with Section 6(b)(5)<sup>8</sup> of the Act. Section 6(b)(5) requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade and to protect investors and the public interest.

The Commission believes that the proposal is consistent with the Act because it provides flexibility to PCX member firms while still providing for investor protection. In particular, the proposal provides flexibility to PCX members and their associated persons by allowing them to create options worksheets that match the investment objectives of their clients. At the same time, however, the proposal provides for investor protection by continuing the requirement that a registered options principal first approve the worksheet before its use.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. The Commission approved a virtually identical proposal by the Chicago Board Options Exchange ("CBOE"), SR-CBOE-99-27.<sup>9</sup> This proposal was published in the **Federal Register** for the full 21-day comment period and the Commission received no public comments.<sup>10</sup> The current proposal follows the changes approved in SR-CBOE-99-27. The Commission

<sup>7</sup> In addition, pursuant to Section 3(f) of the Act, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> See Release No. 34-42443 (February 18, 2000), 65 FR 10574 (February 28, 1999) (order approving SR-CBOE-99-27.)

<sup>10</sup> See Release No. 34-42186 (November 30, 1999), 64 FR 68707 (December 8, 1999) (notice of filing of SR-CBOE-99-27.)

believes, therefore, that granting accelerated approval to the proposed rule change is appropriate and consistent with Section 6<sup>11</sup> of the Act.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>12</sup> that the proposed rule change (SR-PCX-00-02), as amended, is hereby approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

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

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## SMALL BUSINESS ADMINISTRATION

### Reporting and Recordkeeping Requirements Under OMB Review

**AGENCY:** Small Business Administration.

**ACTION:** Notice of Reporting Requirements Submitted for OMB Review.

**SUMMARY:** Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

**DATES:** Submit comments on or before May 1, 2000. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

**Copies:** Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

**ADDRESSES:** Address all comments concerning this notice to: Agency Clearance Officer, Jacqueline White, Small Business Administration, 409 3rd Street, SW, 5th Floor, Washington, DC 20416; and OMB Reviewer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Jacqueline White, Agency Clearance Officer, (202) 205-7044.

**SUPPLEMENTARY INFORMATION:**  
*Title:* BIC Customer Satisfaction Survey.

*Form No.:* 1916.

<sup>11</sup> 15 U.S.C. 78f.

<sup>12</sup> 15 U.S.C. 78s(b)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

<sup>4</sup> See Exchange Rule 9.28.

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

<sup>6</sup> 15 U.S.C. 78f(b)(5).