

Exchange is amending Commentary .02 to Amex Rule 127 to clarify the different trading increments between these securities.

The Exchange represents that these amendments to Amex Rules 1000A and 127 are strictly clarifying in nature and provide no change from existing hours of trading or trading increments for these securities.

## 2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) <sup>6</sup> of the Act in general and furthers the objectives of Section 6(b)(5) <sup>7</sup> 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, and, in general, to protect investors and the public interest.

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

The Exchange represents that the proposed rule change will impose no burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act <sup>8</sup> and Rule 19b-4(f)(3) thereunder<sup>9</sup> because the proposed rule change is concerned solely with the administration of the Exchange. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in the furtherance of the purposes of the Act.<sup>10</sup>

## 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, N.W., Washington, D.C. 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-AMEX-00-35 and should be submitted by August 8, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43016; File No. SR-Amex-00-19]

### **Self-Regulatory Organizations; Order Approving Proposed Rule Change by the American Stock Exchange LLC To Establish an Interim Seat Allocation Program**

July 7, 2000.

## I. Introduction

On April 14, 2000, the American Stock Exchange LLC ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to establish an Interim Seat Allocation Program. The proposed rule change was published for comment in the **Federal Register** on June 7, 2000.<sup>3</sup> The Commission received no comments on

the proposal. This order approves the Amex's proposal.

## II. Description of the Proposal

Active seats on the Exchange are assigned to a person, not a firm. Consequently, when a person to whom a seat is assigned is absent from the trading floor, the seat cannot be used to participate in trading activities.

The Exchange has proposed an Interim Seat Allocation Program, which will allow an active member (*i.e.*, the person to whom the seat has been assigned and who actively participates in securities transactions on the Exchange floor) temporarily to allocate the membership to an interim member when the active member is absent from the trading floor. An interim member must be approved for membership in accordance with the Amex's Constitution and Rules. The Exchange also will require prior approval of the interim member by the lessor of the seat. An active member must pay an interim member status annual fee of \$1,500 for the right to make any allocations and a flat fee of \$250 for each allocation. After an interim member has been approved for membership and the active member has paid the necessary fees and submitted the appropriate form to the Exchange's Membership Services Department, the active member may allocate its seat to the interim member. A temporary allocation may be for a minimum of one day to a maximum of one year.

Contracts made on the trading floor by an interim member will be considered contracts made by the active member, and the active member will be responsible for all obligations to the Exchange and all obligations to other members resulting from Exchange transactions, or transactions in other securities, conducted by the interim member. The owner of the membership, rather than the interim member, will be deemed to be the member of the Amex for purposes of participating in any distribution of the assets and funds of the Exchange in the event of any voluntary or involuntary final liquidation, dissolution, or winding up of the Exchange's affairs. The owner of the membership or active member (as the case may be), rather than the interim member, would be the Participant in the Exchange's Gratuity Fund and entitled to the benefits described in Article IX of the Exchange Constitution. In addition, and interim member may not vote the active member's seat or serve on an Exchange committee in the place of the active member.

If an interim member is not allocated the membership held by the active member within one year of approval by

<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>9</sup> 17 CFR 240.19b-4(f)(3).

<sup>10</sup> 15 U.S.C. 78s(b)(3)(C).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> Securities Exchange Act Release No. 42853 (May 30, 2000), 65 FR 36182.

the Exchange's Membership Services Department, the individual's eligibility for interim membership would be terminated. To become eligible again for interim member status, the individual would have to requalify for membership in accordance with the Constitution and Rules of the Exchange.

### III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act.<sup>4</sup> In particular, the Commission finds the proposal is consistent with Sections 6(b)(4) and 6(b)(5) of the Act.<sup>5</sup>

Section 6(b)(5) of the Act<sup>6</sup> 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 proposed Interim Seat Allocation program will promote just and equitable principles of trade and will protect the public interest by maximizing Amex members' use of personal and capital resources. Currently, seats on the Exchange may not be available for use during absences by active members due, for example, to vacation or illness. Allowing interim members to fill these seats, and to use them to continue trading, will provide greater liquidity on the Exchange than may exist otherwise. Furthermore, the proposed rule change is designed to protect investors because interim members must be approved for membership in accordance with the Exchange's rules in the same manner as active members. The public interest and investor protection will also be served by the requirement that the active member bear responsibility for all obligations to the Exchange and to other members resulting from Exchange transactions conducted by an interim member.

Section 6(b)(4) of the Act<sup>7</sup> requires that the rules of the exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members. All of the Exchange's members that wish to avail themselves of the Interim Seat Allocation Program will be subject to the same fees, and these fees do not appear to be unreasonable. Therefore, the Commission believes that the Exchange's proposal meets the requirements of Section 6(b)(4) of the Act.

### IV. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>8</sup> that the proposed rule change (SR-Amex-00-19) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary*

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### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43028; File No. SR-Amex-00-34]

#### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Relating to Amendments to the Listing Agreement Form

July 12, 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 June 16, 2000, the American Stock Exchange LLC ("Amex" or "Exchange") 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 the Exchange. 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 Exchange proposes to amend its Listing Agreement Form, which is submitted to the Exchange in connection with an issuer's listing application. The text of the proposed rule change follows. Additions are in *italics*; deletions are [bracketed].

#### The American Stock Exchange—Listing Form

##### Listing Agreement

(the "Company"), in consideration of the listing of its securities, hereby agrees, with The American Stock Exchange LLC (the "Exchange") that [it will]:

(1) *The Company certifies that it will [C]comply with all Exchange rules,*

policies and procedures that apply to listed companies as they are now in effect and as they may be amended from time to time, regardless of whether the Company's organization documents would allow for a different result.

(2) *The Company shall [N]otify the Exchange at least 20 days in advance of any change in the form or nature of any listed security or in the rights, benefits, and privileges of the holders of such security.*

(3) *The Company understands that the Exchange may remove its securities from listing on the Exchange, pursuant to applicable procedures, if it fails to meet one or more requirements of Paragraphs 1-2 of this agreement.*

(4) *In order to publicize the Company's listing of the Exchange, the Company authorizes the Exchange to use the Company's corporate logos, Web site address (URL); , trade names, and trade/service marks in order to convey quotation information, transactional reporting information, and other information regarding the Company in connection with the Exchange. In order to ensure the accuracy of the information, the Company agrees to provide the Exchange with the Company's current corporate logos, Web site address, trade names, and trade/service marks and with any subsequent changes. Questions regarding logo usage should be directed to: at ( ) - .*

*The Company indemnifies the Exchange and holds it harmless from any third party rights and/or claims arising out of use by the Exchange or any affiliate ("Corporations") of the Company's corporate logos, Web site address, trade names, trade/service marks, and/or the trading symbol used by the Company.*

(5) *The Company warrants and represents that the trading symbol to be used by the Company does not violate any trade/service mark, trade name, or other intellectual property right of any third party. The Company's trading symbol is controlled by the Exchange and is provided to the Company for the limited purpose of identifying the Company's security in authorized quotation and trading systems. The Exchange reserves the right to change the Company's trading symbol at the Exchange's discretion at any time.*

*Exchange Warranties: Disclaimers of Warranties. For any goods or services provided to Company, the Exchange shall endeavor to provide them in a good and workmanlike manner. Beyond the warranties stated in this section, there are no other warranties of any kind, express, implied or statutory (including the implied warranties of*

<sup>4</sup> In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. See 15 U.S.C. 78c(f).

<sup>5</sup> 15 U.S.C. 78f(b)(4) and (b)(5).

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

<sup>7</sup> 15 U.S.C. 78f(b)(4).

<sup>8</sup> 15 U.S.C. 78f(b)(4).

<sup>9</sup> 17 CFR 200.30-3(a)(12).

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

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