

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]omply 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.

merchantability or fitness for a particular use or purpose).

**Limitation of Corporations' Liability:**

(1) In no event will the Corporations be liable for trading losses, losses of profits, indirect, special, punitive, consequential, or incidental loss or damage, even if the Corporations have been advised of the possibility of such damages.

(2) If the Corporations are held liable, the liability of the Corporations is limited:

(a) for goods and services for which the Company is specifically charged, to the amount paid by Company for those goods or services during the twelve months preceding the accrual of the claim; and

(b) in all other instances, to the amount of the annual listing fee paid by the Company during the twelve months preceding the accrual of the claim.

(3) For goods and services provided under a separate written agreement, the limitation of liability provisions in that agreement shall govern any claims relating to or arising from the provision of those goods and services.

(4) This subsection shall not relieve the Corporations from liability for damages that result from their own gross negligence or willful tortious misconduct, or from personal injury or wrongful death claims.

(5) The Corporations shall not be liable for any third parties' goods or services.

(6) The Company agrees that these terms reflect a reasonable allocation of risk and limitation of liability.

Dated:

By:

Name:

Title:

Accepted at New York, New York, the American Stock Exchange LLC

SIGNATURE:

NAME:

TITLE:

DATE:

## 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 Exchange 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. The Amex has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

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

#### 1. Purpose

Each listed company is required to file a Listing Agreement with the Exchange in connection with its listing application. The Listing Agreement currently requires that the company agree that it will comply with all Exchange rules, policies and procedures and that the company will notify the Exchange at least 20 days in advance of any changes in the form or nature of a listed security or in the rights, benefits and privileges of shareholders. The Commission recently approved amendments to the Exchange's Listing Agreement on March 17, 2000.<sup>3</sup>

The Exchange proposes to add several provisions to the Listing Agreement Form comparable to those included in the Nasdaq National Market Listing Agreement. These provisions include the following:

- A representation that the company understands that its securities can be delisted pursuant to applicable procedures, if the company does not comply with paragraphs 1 and 2 of the Listing Agreement (i.e., certification that the company will comply with all Exchange rules, policies and procedures applicable to listed companies, and the requirement that the company notify the Exchange at least 20 days in advance of any change in the form or nature of the security or the rights, benefits and privileges of holders of the security).

- In connection with publicizing the company's listing, the company's authorization of the Exchange to use the company's corporate logos, website address, trade names, and trade/service marks in order to convey quotation information, transactional reporting information and other information in connection with Exchange listing and trading. The company would also indemnify the Exchange and its affiliates and hold them harmless from any third party rights and/or claims arising in the use of the above-referenced corporate information.

- The company's warranty and representation that the trading symbol used by the company does not violate any trade/service mark, trade name or other intellectual property right of any third party. This provision would specify that the Exchange reserves the

right to change the company's trading symbol at the Exchange's discretion.

- The Exchange's disclaimer of warranties to the company.
- The Exchange's and Exchange affiliates' limitation of liability, which provides, among other things, that the Exchange and affiliates will not be liable to the company for trading loss, loss of profits and damages.

The Exchange believes that these amendments to the Listing Agreement improve the Exchange's listing process and regulatory function by clarifying the responsibilities and obligations of listed companies and the Exchange in connection with the listing process. In addition, the proposed amendments are similar to provisions in the Nasdaq National Market Listing Agreement.

#### 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b)<sup>4</sup> of the Act, in general, and furthers the objectives of Section 6(b)(5),<sup>5</sup> in particular, because it is designed to prevent fraudulent and manipulative acts and practices, 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; and are not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

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

The Exchange believes that the proposed rule change will not impose any burden on competition.

#### C. Self-Regulatory Organization's Statement on Burden 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

Because the proposed rule change: (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 from June 16, 2000, the date on which it was filed, and the Exchange provided the Commission with written notice of its intent to file the proposed

<sup>3</sup> Securities Exchange Act Release No. 42539 (March 17, 2000), 65 FR 15672 (March 23, 2000) (SR-Amex-99-39). The Commission notes that this filing eliminated the requirement that issuers file certain documents with its Listing Agreement.

<sup>4</sup> 14 U.S.C. 78f(b).

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

rule change at least five business days prior to the filing date, it has become effective upon filing pursuant to Section 19(b)(3)(A)<sup>6</sup> of the Act and Rule 19b-4(f)(6)<sup>7</sup> thereunder.<sup>8</sup> At any time within 60 days of the filing of such 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 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 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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-00-34 and should be submitted by August 8, 2000.

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. 34-43026; File No. SR-GSCC-00-07]

### Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Changes to GSCC's Fee Structure With Respect to Minimum Monthly Fees and Additional Accounts Fees

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on June 29, 2000, the Government Securities Clearing Corporation ("GSCC") 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 primarily by GSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

GSCC is proposing to amend its fee structure with respect to (i) minimum monthly fees and (ii) fees for additional accounts maintained by a single member to fairly reflect the costs incurred by GSCC in providing services to its members.<sup>2</sup>

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

In its filing with the Commission, GSCC 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. GSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>3</sup>

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

GSCC is proposing to amend its fee structure with respect to (i) Minimum

monthly fees and (ii) fees for additional accounts maintained by a single member. These changes were effective as of July 3, 2000.

##### (i) Minimum Monthly Fees

Under GSCC's current fee structure, a member is charged a minimum monthly fee if the fees associated with its actual level of activity do not equal or exceed the minimum fee. Specifically, each comparison-only member is subject to a minimum monthly fee of \$500 (\$250 if it has an affiliate that is a netting member), and each netting member is subject to minimum monthly fees of \$500 for its comparison system activity and \$500 for its netting system activity.

The proposed rule change imposes a \$1,000 minimum monthly fee on each comparison-only member (regardless of whether it has an affiliate that is a netting member) and each netting member. The increase to the \$1,000 minimum for comparison-only members is necessary in order to cover the administrative and operational costs involved in opening and maintaining the comparison-only accounts. The change to the \$1,000 minimum fee for netting members from the \$500-\$500 fee is being implemented for administrative convenience; it allows for a member's total GSCC activity to be calculated and compared against one minimum. This change will result in a decrease in fees for some netting members.

##### (ii) Fees Applicable to Additional Accounts

Some GSCC members maintain more than one GSCC account.<sup>4</sup> Additional accounts fall into two categories: (A) those that are opened at the request of a member<sup>5</sup> and (B) those that are opened at the direction of GSCC.<sup>6</sup>

##### (A) Additional Account Opened at the Request of a Member

The proposed rule change imposes a monthly maintenance fee of \$1,000 for each additional account maintained by a member in addition to its primary account that is opened at the member's request. The maintenance fee will be in

<sup>4</sup> For fee purposes, GSCC will consider the account with the most activity to be the member's primary account.

<sup>5</sup> Under certain circumstances, a member is permitted to open one or more additional accounts in order to separate certain GSCC activity from its primary GSCC account. Such accounts can be maintained for comparison-only or netting activity. Each additional account is governed by an agreement between the member and GSCC and is subject to GSCC's rules.

<sup>6</sup> For example, under GSCC's rules, interdealer broker netting members are required to maintain separate accounts for their buy-sell and repo activity.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>7</sup> 15 CFR 240.19b-4(f)(6).

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

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

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

<sup>2</sup> The revised fee structure, attached as "Exhibit A" to GSCC's filing, is available for inspection and copying in the Commission's Public Reference Section and through GSCC.

<sup>3</sup> The Commission has modified the text of the summaries prepared by GSCC.