

By the Commission.

Jill M. Peterson,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

U.S. Canadian Minerals, Inc.; Order of Suspension of Trading

October 28, 2004.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of U.S. Canadian Minerals, Inc. (OTC Bulletin Board symbol "USCA"), a Nevada corporation. Questions have been raised about the accuracy of publicly disseminated information concerning, among other things, U.S. Canadian Minerals' financing and mining activities and the value of U.S. Canadian Minerals' purported assets.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above-listed company.

Therefore, it is ordered, pursuant to Section 12(k) of the Securities Exchange Act of 1934, that trading in the above listed company is suspended for the period from 9:30 a.m. EDT, October 28, 2004, through 11:59 p.m. EST, on November 10, 2004.

By the Commission.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 04-24411 Filed 10-28-04; 12:00 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50587; SR-Amex-2004-63]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change and Amendment No. 1 by the American Stock Exchange LLC Relating to Minimum Size Guarantees for Linkage Orders

October 25, 2004.

I. Introduction

On August 3, 2004, the American Stock Exchange LLC ("Amex" or "Exchange"), filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act

of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to modify the definitions of Firm Customer Quote Size ("FCQS") and Firm Principal Quote Size ("FPQS") contained in the Amex rules by changing certain minimum size guarantees for Linkage Orders to accommodate the "natural size" of quotations.³ On September 10, 2004, the Amex submitted Amendment No. 1 to the proposed rule change.⁴ Notice of the Amex's proposed rule change, as amended, was published in the **Federal Register** on September 23, 2004.⁵

No comments were received on the proposed rule change. This order approves the proposed rule change, as amended.

II. Description of the Proposals

The purpose of the proposed rule change is to amend the definitions of FCQS and FPQS provided in Amex Rule 940(b) to conform them to the definitions provided in the Linkage Plan, as amended by Joint Amendment No. 13.⁶ While the proposed rule change would maintain a general requirement in Amex Rule 940(b) that the FCQS and FPQS be at least 10 contracts, that requirement would not apply if, pursuant to its rules, the Exchange were disseminating a quotation of fewer than 10 contracts. In that case, the Amex could establish a FCQS or FPQS equal to its disseminated size, or "natural size."

Under the proposed rule change, as with Linkage orders today, if an order is of a size eligible for automatic execution, the Amex (as the receiving options exchange) must provide an automatic execution of the Linkage order. If this is not the case (for example, the Amex's automatic execution system is not engaged), the Exchange may allow the order to drop to manual handling. However, the Amex still must provide a manual execution

for at least the FCQS or FPQS, as appropriate (in this case, the size of its disseminated quotation of less than 10 contracts).

III. Discussion

After careful review, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁷ In particular, the Commission finds that the proposal, as amended, is consistent with the provisions of Section 6(b)(5) of the Act,⁸ which requires, among other things, that a national securities exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and to 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 Commission notes that the Amex adopted the current definitions of FCQS and FPQS, which impose a "10-up" requirement, at a time when it had rules requiring that the minimum size disseminated with a quotation be for at least 10 contracts. Consequently, if the Amex received a customer limit order for fewer than 10 contracts, the Exchange would disseminate the price of the customer limit order with a size of 10 contracts and the specialist or the trading crowd would be responsible to make up the difference. Since implementation of the Linkage Plan, the Amex has amended Exchange Rule 958A to permit the dissemination of the "natural size" of customer limit orders that are of a size of less than 10 contracts.⁹ The Commission believes that approval of the proposed rule change will permit Amex to conform its rules relating to Linkage orders to Exchange rules that apply to non-Linkage orders and will allow the Amex to disseminate a customer limit order's "natural size," which should provide greater transparency to investors and the marketplace, and better reflect the true state of liquidity in the marketplace.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the

⁷ In approving these proposals, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78f(b)(5).

⁹ See Securities Exchange Act Release No. 48957 (December 18, 2003), 68 FR 75294 (December 30, 2003) (SR-Amex-2003-24).

¹⁰ 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The Exchange's rule filing is intended to conform Exchange rules to an amendment to the Plan for the Purpose of Creating and Operating an Intermarket Option Linkage ("Linkage Plan") filed by the Amex and the other participants of the Linkage Plan and recently approved by the Commission ("Joint Amendment No. 13"). See Securities Exchange Act Release No. 50562 (October 19, 2004) (File No. 4-429).

⁴ See Letter from Jeffery P. Burns, Associate General Counsel, Amex, to Nancy Sanow, Assistant Director, Division of Market Regulation, Commission, dated September 9, 2004 ("Amendment No. 1"). In Amendment No. 1, the Amex amended the proposed rule text to reflect a technical change.

⁵ Securities Exchange Act Release No. 50394 (September 16, 2004), 69 FR 57110 (SR-Amex-2004-63).

⁶ See Joint Amendment No. 13, *supra* note 3.

proposed rule change (SR-Amex-2004-63), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Jill M. Peterson,

Assistant Secretary.

[FR Doc. E4-2920 Filed 10-29-04; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50583; File No. SR-CBOE-2004-64]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Allocation of N-Second Group Trades Pursuant to Rule 6.45A(c)

October 22, 2004.

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 14, 2004, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") 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 CBOE. 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 CBOE proposes to eliminate the Designated Primary Market-Maker ("DPM") participation entitlement for trades occurring pursuant to CBOE Rule 6.45A(c). Below is the text of the proposed rule change. Proposed new language is in *italics*; proposed deletions are in brackets.

* * * * *

Rule 6.45A Priority and Allocation of Trades for CBOE Hybrid System

* * * * *

(a)-(b) No change.

(c) Interaction of Market Participant's Quotes and/or Orders with Orders in Electronic Book.

* * * * *

(i)-(ii) No change.

(iii) DPM Participation Entitlement: [If a DPM is eligible for an allocation pursuant to the operation of this

paragraph (c) by virtue of being a member of the "N-second group" as described in paragraph (c)(ii), the DPM shall be entitled to receive an allocation equal to the amount it would be entitled to pursuant to the DPM participation right established pursuant to Rule 8.87 (and Regulatory Circulars issued thereunder). The DPM's entitlement percentage is expressed as a percentage of the remaining quantity after all public customer orders in the electronic book have been executed.] *There is no DPM participation entitlement applicable to orders allocated pursuant to paragraph (c).*

[(iv) Temporary Order Access Terminals: The Exchange will provide Temporary Order Access Terminals ("T-OATs") in each trading crowd in which Hybrid is operational. Each T-OAT, which will be reserved for the exclusive use of floor brokers, will allow the entry by floor brokers of agency orders that will be eligible to participate in the "N-second group." Each T-OAT will be conveniently located and will be easily accessible. The Exchange will provide in each crowd at least one T-OAT, and where necessary, as many T-OATs as are necessary to accommodate demand in that trading pit. The Exchange will continue to provide T-OATs until either November 28, 2003 or until the Hybrid system is capable of accepting orders from floor broker workstations that will be eligible to participate in the "N-second group," whichever occurs first.]

(d)-(e) No change.

. . . Interpretations and Policies

No change.

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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 had received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Exchange 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

CBOE Rule 6.45A(c) governs the allocation of orders resting in the Exchange's electronic book ("book" or "Ebook") among market participants. Generally, if only one market participant interacts with the order in the book, he/she will be entitled to full priority. If, however, more than one market participant attempts to interact with the same order in the book, a "quote trigger" process initiates. Under the quote trigger process, the first market participant to interact with the book order starts a counting period lasting N-seconds whereby each market participant that submits an order within that "N-second period" becomes part of the "N-second group" and is entitled to share in the allocation of that order via the formula contained in the rule. The Exchange does not propose to change the operation of the quote trigger process other than to eliminate the DPM participation right for "N-second group" trades.

Currently, if a DPM is a member of the "N-second group," he/she receives the standard participation entitlement.³ The Exchange proposes to eliminate the participation entitlement to DPMs involved in the quote trigger process. Instead, DPMs will be treated as any other market participant and will take in accordance with the formula contained in the rule. The Exchange believes eliminating the DPM participation entitlement will incent other market participants to quote competitively by giving them a greater percentage of resting orders in the book. Generally, the DPM participation entitlement is at least 30% (up to the size of the DPM's quote). In crowds where there are several members in the "N-second group," this 30% may represent a relatively substantial portion of the book order. By treating the DPM as any other market participant, all market participants will be on equal footing. Accordingly, there should be a larger percentage of booked orders available for allocation to other non-DPM crowd members.

While the Exchange is in the process of amending CBOE Rule 6.45A(c), it takes this opportunity to eliminate paragraph (c)(iv) from the Rule. Under this paragraph, the Exchange was

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ CBOE Rule 8.87 governs the operation of the DPM participation entitlement. The Exchange proposes no changes to the participation entitlement process or percentages.