

organization consents, the Commission will:

(A) by order approve 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-2001-03 and should be submitted by September 14, 2001.

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

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44722; File No. SR-SCCP-2001-04]

Self-Regulatory Organizations; The Stock Clearing Corporation of Philadelphia; Order Granting Approval of a Proposed Rule Change Establishing Fines for Late Margin Call Payments and an Appeal for Such Fines

August 20, 2001.

On February 27, 2001, the Stock Clearing Corporation of Philadelphia ("SCCP") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-

SCCP-2001-04) pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposed rule change was published in the **Federal Register** on May 29, 2001.² No comment letters were received. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

I. Description

The purpose of the filing is to implement a fine schedule for SCCP margin members who are late meeting a margin call payment. The proposed rule change is intended to encourage the timely payments of margin calls. Rule 9 provides, in part, that SCCP will provide margin accounts for margin members that clear and settle their transactions through SCCP's omnibus clearance and settlement account. SCCP provides margin for such accounts based on its procedures and Regulation T of the Board of Governors of the Federal Reserve System. Margin members who are designated as specialists or alternate specialists in a security receive margin credit of 15% with respect to positions in that security held in their specialist accounts. Members holding positions for which they are not designated as a specialist or alternate specialist receive non-specialist margin credit of 50%. SCCP may issue margin calls to any margin member when the margin requirement exceeds the account equity. Pursuant to SCCP procedures, margin call payments are due by 12:00 p.m. EST the business day of the call. Late margin payments are not currently subject to a specific late fine although members may be subject to possible disciplinary action pursuant to SCCP Rule 22.

SCCP believes that implementation of the proposed fine schedule will reduce the number of incidents of later margin call payments by members. Notwithstanding the late margin call payment fine, members would continue to be subject to possible disciplinary action pursuant to SCCP Rule 22.

Currently, Rule 23 provides, in relevant part, a SCCP participant³ with the right to appeal from any decision or decisions of SCCP resulting in sanctions or penalties imposed under Rule 20 or 22.⁴ SCCP proposes to include fines

imposed under Rule 9 to the list of applicable actions specified in Rule 23.

II. Discussion

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the clearing agency's custody or control or for which it is responsible. The rule change allows SCCP to fine members for making later margin payments. Implementing the fine schedule should encourage margin members to submit margin payments in a timely manner thereby providing SCCP with adequate collections so that it may fulfill its safeguarding obligations. Therefore, the Commission finds that SCCP's proposed rule change is consistent with section 17A of the Act and the rules and regulations thereunder.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular section 17A of the Act and the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-SCCP-2001-04) be and hereby is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Jonathan G. Katz,
Secretary.

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SMALL BUSINESS ADMINISTRATION

Office of the National Ombudsman

Tri-Regional Regulatory Fairness Board Town Hall Meeting

The Office of the National Ombudsman, U.S. Small Business Administration, will convene a Town Hall Meeting on Wednesday, August 29, 2001, from 3:00-5:30 pm EST, at the Hyatt Regency, One Goat Island, Newport, RI, 02840, to hear comments and/or complaints from small businesses and representatives of trade associations concerning potentially unfair regulatory enforcement or compliance actions taken by Federal agencies.

Anyone wishing to attend and make comments must contact James Van

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 44334 (May 22, 2001), 66 FR 29199.

³ The term "participants" means persons or organizations which have qualified for membership in SCCP pursuant to SCCP Rules 2 and 3. Participants are also referred to in SCCP Rules as "members."

⁴ SCCP Rule 23 Section 1(c).

⁵ 17 CFR 200.30-3(a)(12).