

the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-00-16 and should be submitted by September 13, 2000.

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

The Commission has reviewed the NYSE's proposed rule change and finds, for the reasons set forth below, that the proposal, as amended, is consistent with the requirements of Section 6 of the Act<sup>8</sup> and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission believes the proposal is consistent with Section 6(b)(4) of the Act,<sup>9</sup> because it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities.<sup>10</sup>

The Commission finds that the NYSE's proposed fee cap is a reasonable one that will be applicable to all its issuers. Further, the fee cap will be instituted on a pilot basis, which will permit the Exchange to evaluate its impact on issuers. The Commission further finds good cause for approving the proposed rule change (SR-NYSE-00-16) prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. The Exchange requested that the Commission accelerate the effective date of the proposed rule change so that the Exchange could institute the fee cap as quickly as possible, to the benefit of its listed companies. The Commission agrees that approval of this request would enable these issuers to promptly take advantage of the change in fee structure. Accordingly, the Commission believes that there is good cause, consistent with Sections 6(b)(5) and 19(b) of the act,<sup>11</sup> to approve the proposal, as amended, on an accelerated basis.

#### V. Conclusion

*It is Therefore Ordered*, pursuant to Section 19(b)(2) of the Act,<sup>12</sup> that the proposed rule change (SR-NYSE-00-16), as amended, is hereby approved on an accelerated basis, as a pilot program effective through December 31, 2002.

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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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43167; File No. SR-ODD-00-03]

#### Self-Regulatory Organizations; The Options Clearing Corporation; Order Granting Approval to Proposed Supplement to Options Disclosure Document Regarding Risks of Options Positions

August 17, 2000.

On June 26, 2000, the Options Clearing Corporation ("OCC") submitted to the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Rule 9b-1 under the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> five definitive copies of a Supplement to its options disclosure document ("ODD"), which describes, among other things, the principal risks of options positions. In particular, the Supplement amends certain parts of Chapter 10 that describe the effect of unusual circumstances on the settlement procedures for standardized options.<sup>2</sup>

The ODD currently contains general disclosures on the characteristics and risks of trading standardized options. The Commission has approved OCC rule proposals that change or clarify the settlement procedures for options positions in unusual circumstances, such as when a primary market for component securities of an index option is not open on the last trading day before expiration.<sup>3</sup> The proposed Supplement incorporates descriptions of these changes or clarifications into the ODD.

The Commission has reviewed the ODD Supplement and finds that it complies with Rule 9b-1 under the Act.<sup>4</sup> The Supplement is intended to be read in conjunction with the ODD, which discusses the characteristics and

risks of options generally. The ODD, along with the Supplement, provides information regarding the principal risks of options positions, including the effect of unusual circumstances on the settlement procedures for standardized options. Rule 9b-1 provides that an options market must file five preliminary copies of an amended ODD with the Commission at least 30 days prior to the date definitive copies of the ODD are furnished to customers, unless the Commission determines otherwise, having due regard for the adequacy of information disclosed and the protection of investors.<sup>5</sup> The Commission has reviewed the Supplement, and finds that it is consistent with the protection of investors and in the public interest to allow the distribution of the Supplement as of the date of this order.

*It Is Therefore Ordered*, pursuant to Rule 9b-1 under the Act,<sup>6</sup> that the proposed Supplement regarding special settlement procedures (SR-ODD-00-03) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43150; File No. SR-PCX-00-20]

#### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to Auto-Ex Log-On Requirements

August 14, 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 July 10, 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, II and III below, which Items have been prepared by the PCX. The Commission is publishing this notice to solicit

<sup>8</sup> 15 U.S.C. 78f.

<sup>9</sup> 15 U.S.C. 78f(b)(4).

<sup>10</sup> In approving this rule, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>11</sup> 15 U.S.C. 78f(b)(5) and 78s(b).

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

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

<sup>1</sup> 17 CFR 240.9b-1.

<sup>2</sup> See Letter from James C. Yong, First Vice President and Deputy General Counsel, OCC, to Elizabeth King, Associate Director, Division of Market Regulation, Commission, dated June 26, 2000.

<sup>3</sup> See Securities Exchange Act Release No. 42769 (May 9, 2000), 65 FR 31036 (May 15, 2000) (order approving SR-OCC-00-01); Securities Exchange Act Release No. 42769 (June 1, 2000), 65 FR 36489 (June 8, 2000) (order approving SR-OCC-99-16).

<sup>4</sup> 17 CFR 240.9b-1.

<sup>5</sup> This provision is intended to permit the Commission either to accelerate or extend the time period in which definitive copies of a disclosure document may be distributed to the public.

<sup>6</sup> 17 CFR 240.9b-1.

<sup>7</sup> 17 CFR 200.30-3(a)(39).

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

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