

The Issuer will seek quotation of its Security on the OTC Bulletin Board.

Any interested person may, on or before September 9, 2002, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609, facts bearing upon whether the application has been made in accordance with the rules of the Amex and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 02-21318 Filed 8-20-02; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46362; File No. SR-Amex-2002-38]

Self Regulatory Organizations; American Stock Exchange LLC; Order Granting Approval to Proposed Rule Change and Amendment No. 1 Thereto To Designate the New Trading Floor on the Ground Floor of the Exchange as a "Separate Trading Area"

August 15, 2002.

On April 23, 2002, 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 designate the new trading floor on the ground floor of the Exchange ("Harry's") as a "separate trading area."

On June 6, 2002, the Amex submitted Amendment No. 1 to the proposed rule change.³ The proposed rule change was published for comment in the **Federal Register** on July 5, 2002.⁴ The

Commission received no comment letters on the proposal.

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 exchange⁵ and, in particular, the requirements of section 6 of the Act⁶ and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change is consistent with section 6(b)(5) of the Act⁷ because it is designed to prevent fraudulent and manipulative acts and practices, and promote just and equitable principles of trade.

The Commission previously approved similar proposals by the Amex to designate the sections of its trading floor as separate trading areas for the purposes of stock and options trading.⁸ In these Orders, the Commission required that the trading of stocks and their related options be sufficiently separated in a manner that minimized the time and place advantages that could be derived from the proximity of the equity and options trading areas. In addition to the physical separation of the trading locations of equities and their related options, Amex Rule 958(f) prohibits jointly registered equity and options traders from entering options transactions on a Paired Security⁹ for one hour after leaving the equity floor where the underlying security trades. Finally, the Orders restricted the use of hand signals or other like means of communication between members to communicate between floors.

The Commission is satisfied that these conditions are met here. Options on both listed and non-Amex-listed equities are traded on Harry's while Amex-listed equities are traded on the Main Trading Floor. Harry's is located in a separate area on the ground floor of the Exchange and is only accessible from the Exchange's other trading locations by escalator. Accordingly, the trading posts located on Harry's are not visible from the Main Trading Floor. Furthermore, the Exchange represents

⁵ In approving this proposed rule change, the Commission notes that it has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78f(b)(5).

⁸ Securities Exchange Act Release Nos. 26147 (October 3, 1988), 53 FR 39556 (October 7, 1988) ("1988 Order"); 34359 (July 12, 1994), 59 FR 36799 (July 19, 1994) ("Index Order"); and 39631 (February 9, 1998), 63 FR 8229 (February 18, 1998) ("1998 Order") (collectively "Orders").

⁹ Generally, a Paired Security is a security which is the subject of securities trading on the Exchange and options trading on the Exchange. See Amex Rule 900(b)(38).

that it maintains adequate surveillance systems designed to prevent trading abuses and manipulation as well as to ensure compliance with the relevant Exchange rules consistent with the 1988, 1998 and Index Orders.¹⁰ Further, the Commission notes that the Exchange's rules regarding Paired Securities would prohibit the trading of an equity in the same physical location as its related option.¹¹

Therefore, the Commission finds that Harry's is a separate trading area for purposes of trading options on Amex-listed and non-listed stocks. The Commission's approval is premised on the belief that the Amex's proposed trading locations for equities and options are sufficiently separated such that there is no time and place advantage derived from the physical proximity of Harry's to locations where the underlying equities trade. Accordingly, any decision by the Amex to change the location of the designated options relative area to the designated stock area or to modify the means of access between them, would require the submission of a proposed rule change under section 19(b) of the Act.¹²

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹³ that the proposed rule change and Amendment No. 1 thereto (File No. SR-Amex-2002-38) are approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 02-21322 Filed 8-20-02; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46363; File No. SR-CBOE-2002-23]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to Extension of the Permissible Maturity of FLEX Index Options to Ten Years

August 15, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934

¹⁰ Telephone Conversation between Jeffrey P. Burns, Assistant General Counsel, Amex, and Christopher Solgan, Law Clerk, Division, Commission, on August 13, 2002.

¹¹ See Amex Rules 900(b)(38), (40), and (41).

¹² 15 U.S.C. 78s.

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).

⁵ 17 CFR 200.30-3(a)(1).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Jeffrey P. Burns, Assistant General Counsel, Amex, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated June 5, 2002 ("Amendment No. 1").

⁴ See Securities Exchange Act Release No. 46131 (June 27, 2002), 67 FR 44900.