

(1) Transfer agent represents that it has the authority and consent for the request appearing on the following screen from either (a) the registered owner on the transfer agent's records or (b) a third party who has actual authority to act on behalf of the registered owner on the transfer agent's records, and that all information shown is accurate and complete, except that, with respect to the taxpayer identification number included in such information, to the best knowledge of transfer agent, such information is accurate and complete; and

(2) Transfer agent indemnifies the participant and its respective officers, directors, shareholders, employees, agents, representatives, subsidiaries, parents, affiliates, successors and assigns against any breach of such representations in connection with the transaction that is the subject of such request.

If the electronic medallion program administered by NYSE, STAMP, or SEMP is not in effect or it has not been approved by the DRS Committee, references in DTC's procedures will be modified to reflect the existence of the screen indemnity rather than an electronic medallion.

DTC proposes to charge participants a fee of 31 cents for each instruction submitted through Profile initiating a DRS share movement or appending information to an investor's DRS account, and charge the DRS limited participant receiving the instruction a fee of 9 cents for that transactions.⁸ DTC also proposes to charge DRS limited participants a fee of 40 cents for each instruction submitted through Profile initiating a DRS share movement.⁹

The proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder applicable to DTC since the proposed rule change will provide participants more efficient use of DRS. The proposed rule change will be implemented consistently with the safeguarding of securities and funds in DTC's custody or control or for which it is responsible since the operation of DRS, as modified by the proposed rule change, will be similar to the current operation of the function.

⁸ The STA representatives on the DRS Committee requested that DTC develop CCF capability in DRS for transfer agents. The DRS Committee approved the 9 cent fee to reimburse DTC for the cost of systems development to accommodate the STA request.

⁹ In this type of transaction, there is no CCF development fee, as no CCF development was requested. Participants bear a fee for WT instructions when a share position is moved to a DRS limited participant's Limited Participant Account.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC perceives no impact on competition by reason of the proposed rule change.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The proposed rule change has been developed through discussions with several participants and DRS limited participants. Written comments from participants or others have not been solicited or received on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(a) by order approve the 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. section 553, 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 offices of DTC. All submissions should refer to File No. SR-DTC-99-04 and should be submitted by April 5, 2000.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-6314 Filed 3-14-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42497; File No. SR-Phlx-00-09]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Registration and Annual Fees for Off-Floor Traders

March 6, 2000.

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 February 7, 2000, the Philadelphia Stock Exchange, Inc. ("Phlx" 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 Exchange. The Exchange has designated this proposal as one establishing or changing a due, fee, or other charge imposed by the Phlx under Section 19(b)(3)(A)(ii) of the Act,³ which renders the proposal effective upon filing with the Commission. 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 schedule of dues, fees and charges to require all current and future off-floor traders to pay an initial registration fee and an annual fee thereafter of \$1,000.00 for all off-floor traders registered as of April 1 of each year.⁴

Specifically, the Exchange seeks to require associated persons of member organizations for which the Exchange is the Designated Examining Authority

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ The Phlx states that their Examinations Department checks the member firms on a monthly basis to determine the number of traders to whom these fees apply. The Phlx, in turn, bills the member firm an amount based on the number of traders who are new registrants. See telephone conversation of March 6, 2000, between Richard S. Rudolph, Counsel, Phlx, and Joseph P. Morra, Attorney, SEC.

("DEA"), but who are not themselves Exchange members, who engage in proprietary trading of equities and options, including, but not limited to, persons who execute such trades or make trading decisions with respect to such trades, to pay an increased \$1,000.00 registration fee and thereafter an increased annual fee of \$1,000.00. The proposed increases would apply to those persons who are not Exchange members registered in a trading capacity on the floor of the Exchange. The proposed increases in the registration and annual fee are to be effective as of March 1, 2000.

The text of the proposed change to the Phlx fee schedule is available at the Phlx and at the Commission.

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 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

The proposed rule change amends the Phlx's fee schedule to increase the annual fee to \$1,000.00 for registered proprietary traders, *i.e.*, persons who are currently associated with member organizations for which the Exchange is the DEA, but who are not themselves Exchange members, who engage in proprietary trading of equities and options from off-the-floor of the Exchange by filing a Form U-4 and a fingerprint card as well as provide proof of successful completion of the Uniform Registered Representative Examination, Series 7. At this time, the Exchange charges such traders an initial registration fee of \$200.00 and an annual fee of \$200.00. The initial registration fee applies to persons currently trading from off-the-floor and to persons who register to trade from off-the-floor in the future. The payment of the increased initial registration fee of \$1,000.00 will be prerequisite to engaging in trading from off-the-floor of the Exchange.

All such persons who are registered with the Exchange as of April 1st, of each year will be assessed an annual fee of \$1,000.00. The fees are proposed to be increased from \$200.00 in recognition of the increased costs of administration that the Exchange has been and will be incurring. The Exchange has experienced increased administration costs incurred in conducting background checks on the individuals to whom the fees apply; processing of forms; fingerprint charges; requests for disciplinary history of all current and future off-floor traders to the Central Registration Depository; as well as conducting on-site examinations of the home and branch offices of the various member firms with which off-floor traders associate. During the course of 1999, the Exchange experienced an increase in the number of member organizations utilizing off-floor traders who would be subject to the increased annual charge. Additionally, the Exchange undertook increased administrative and regulatory responsibilities associated with such member organizations and their off-floor traders, including scheduling more frequent compliance inspections.

2. Statutory Basis.

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act in general, and in particular, with Section 6(b)(4), in that it provides for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

No written comments were either solicited or received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The proposed rule change has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁵ and subparagraph (f)(2) of Rule 19b-4 thereunder,⁶ because it involves a due, fee, or other charge. At any time within 60 days of the filing of the proposed 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.⁷

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal 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 Exchange. All submissions should refer to file number SR-Phlx 00-09, and should be submitted by April 5, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Jonathan G. Katz,
Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3246 (Amendment #1)]

Commonwealth of Kentucky

In accordance with a notice received from the Federal Emergency Management Agency dated March 2, 2000, the above-numbered Declaration is hereby amended to establish the incident period for this disaster as beginning on February 18, 2000 and continuing through March 2, 2000.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is

⁷ In reviewing this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁸ 17 CFR 200.30-3(a)(12).

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b-4(f)(2).