

actions based on its review, including, if appropriate, the institution of procedures designed to assure that purchases of securities from Affiliated Underwritings are in the best interests of shareholders.

7. The Unaffiliated Fund shall maintain and preserve permanently in an easily accessible place a written copy of the procedures described in the preceding condition, and any modifications, and shall maintain and preserve for a period not less than six years from the end of the fiscal year in which any purchase from an Affiliated Underwriting occurred, the first two years in an easily accessible place, a written record of each purchase made once an investment by an Acquiring Company in the securities of an Unaffiliated Fund exceeds the limits of section 12(d)(1)(A)(i) of the Act, setting forth from whom the securities were acquired, the identity of the underwriting syndicate's members, the terms of the purchase, and the information or materials upon which the board's determinations were made.

8. Prior to an investment in an Unaffiliated Fund in excess of the limit in section 12(d)(1)(A)(i), the Acquiring Company and the Unaffiliated Fund will execute an agreement stating, without limitation, that the Unaffiliated Fund understands the terms and conditions of the order and agrees to fulfill its responsibilities under the order. At the time of its investment in shares of an Unaffiliated Fund in excess of the limit in section 12(d)(1)(A)(i), an Acquiring Company will notify the Unaffiliated Fund of the investment. At such time, the Acquiring Company also will transmit to the Unaffiliated Fund a list of the names of each Acquiring Company Affiliate and Underwriting Affiliate. The Acquiring Company will notify the Unaffiliated Fund of any changes to the list as soon as reasonably practicable after a change occurs. The Unaffiliated Fund and the Acquiring Company will maintain and reserve a copy of the order, the agreement, and the list with any updated information for a period not less than 6 years from the end of the fiscal year in which any investment occurred, the first 2 years in an easily accessible place.

9. Prior to approving any advisory contract under section 15 of the Act, the board of directors of each Fund of Funds, including a majority of the disinterested directors, must find that the advisory fees charged under the contract are based on services that are in addition to, rather than duplicative of, services provided to Underlying Funds in which the Fund of Funds will invest. This finding and the basis upon

which the finding was made, will be recorded fully in the minute books of the Fund of Funds.

10. The Adviser to a Fund of Funds or trustee or depositor of a Trust of Funds will waive or offset fees otherwise payable by the Acquiring Company to the Adviser or trustee or depositor in an amount at least equal to any compensation (included 12b-1 Fees) received by the Adviser or trustee or depositor, or an affiliated person of the Adviser or trustee or depositor, from an Unaffiliated Fund in connection with the investment by an Acquiring Company in the Unaffiliated Fund.

11. With respect to any investment in an Underlying Fund by an Acquiring Company that is not a separate account, any sales charges, distribution-related fees, and/or services fees charged with respect to shares of an Acquiring Company, when aggregated with any sales charges, distribution-related fees, and/or service fees paid by the Acquiring Company with respect to its acquisition, holding, or disposition of shares of an Underlying Fund, will not exceed the limits set forth in rule 2830 of the NASD Conduct rules.

12. No Underlying Fund will acquire securities of any other investment company in excess of the limits contained in section 12(d)(1)(A) of the Act.

For the SEC, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-24547 Filed 9-22-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43250; File No. SR-CBOE-00-37]

Self-Regulatory Organizations; Notice of Filing and Order Granting Partial Accelerated Approval of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Reporting of Options Transactions

September 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 August 11, 2000, the Chicago Board Options Exchange, Inc. ("CBOE" or the "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule

change relating to the reporting of options transactions. The CBOE filed Amendment No. 1 to the proposed rule change on August 23, 2000.³ On September 6, 2000, the CBOE filed Amendment No. 2 to the proposed rule change.⁴ The proposed rule change, as amended, is described in Items I, II, and III below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant partial accelerated approval to that portion of the proposal that amends CBOE Rule 6.51.

Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Exchange proposes to amend CBOE Rule 6.51, "Reporting Duties," to require the reporting of options transactions within 90 seconds. In addition, the proposed rule change would amend CBOE Rule 17.50, which set forth the CBOE's minor rule violation find plan. The text of the proposed rule change, as amended, follows. New text is italicized and deleted text is bracketed.

Chicago Board Options Exchange, Incorporated Rules

* * * * *

Chapter VI—Doing Business on the Exchange Floor

* * * * *

Section C: Trading Practices and Procedures

Rule 6.51. Reporting Duties

(a) Designated member must report transaction. (i) A participant in each transaction to be designated by the Exchange [shall immediately] *must report or ensure* the transaction *is reported* to the Exchange within 90 seconds of the execution in a form and manner prescribed by the Exchange so that the trade information may be reported to

³ See letter from Jaime Galvan, Attorney, Legal Division, CBOE to Deborah Flynn, Senior Special Counsel, Division of Market Regulation ("Division"), Commission, dated August 22, 2000 ("Amendment No. 1"). Amendment No. 1 moves certain proposed language from Interpretation and Policy .01 of CBOE Rule 6.51 to the body of CBOE Rule 6.51. The CBOE also requested accelerated approval of the portion of the proposal that amended CBOE Rule 6.51.

⁴ See letter from Jaime Galvan, Attorney, Legal Division, CBOE to Deborah Flynn, Senior Special Counsel, Division, Commission, dated September 5, 2000 ("Amendment No. 2"). In Amendment No. 2, the CBOE confirmed that the failure to report an options transaction within 90 seconds of execution would be considered a violation of CBOE Rule 6.51. Amendment No. 2 also deletes footnote 5 to Exhibit 1, which defined the term "offense" for purposes of CBOE Rule 17.50(g)(4) as the first instance that a pattern or practice of late reporting or failure to report has been determined. In Amendment No. 2, the Exchange proposes to add a similar footnote to the text of CBOE Rule 17.50(g)(4).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

time and sales reports. (ii) *Transactions not reported within 90 seconds after execution in accordance with Rule 6.51(a)(i) shall be designated as late. A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with just and equitable principles of trade and subject to summary fine under Rule 17.50 or to discipline by the Business Conduct Committee.*

(b)–(d) Unchanged.

Chapter XVII—Discipline

* * * * *

Rule 17.50. Imposition of Fines for Minor Rule Violations

(a) Unchanged.

(b) In any action taken by the Exchange pursuant to this Rule, any person against whom a fine is imposed shall be served, as provided in Exchange Rule 17.12, with a written statement, prepared by the Exchange, setting forth: (i) the rule(s) allegedly violated; (ii) the act or omission constituting each such violation; (iii) the fine imposed for each violation; and (iv) the date by which such determination becomes final and such fine must be paid or contested as provided below, which date shall be not less than thirty (30) days after the date of service of such written statement. [A copy of such written statement shall be sent contemporaneously to the Clearing Member previously designated by the person fined pursuant to Exchange Rule 3.23.]

(c)(1) Any person against whom a fine is imposed pursuant to subsection (g)(1), (g)(2), (g)(3), (g)(4), [(g)(5),] or (g)(8) [or (g)(9)] of this Rule and any person against whom a fine exceeding \$2,500 is imposed pursuant to subsection (g)(6)] (5) of this Rule may contest the Exchange's determination by filing with the Office of the Secretary of the Exchange, on or before the date specified pursuant to subsection (b)(iv) of this Rule, a written answer as provided in Exchange Rule 17.5, at which point the matter shall become subject to review by the Business Conduct Committee. The filing must include a request for a hearing, if a hearing is desired. Hearings will be conducted in accordance with the provisions of Exchange Rule 17.6. If a hearing is not requested, the review will be based on written submissions and will be conducted in a manner to be determined by the Business Conduct Committee.

(2)–(4) Unchanged.

(d)(1) Any person against whom a fine not exceeding \$2,500 is imposed pursuant to subsection (g)(6)](5) of this Rule and any person against whom a fine is imposed pursuant to subsection (g)(7)](6) of this Rule may contest the Exchange's determination by filing with the Secretary of the Exchange, on or before the date specified pursuant to subsection (b)(iv) of this Rule, a written application in accordance with the provisions of Exchange Rule 19.2(a), at which point the matter shall become subject to review by the Appeals Committee. The application must include a request for a hearing, if a hearing is desired. Except as

otherwise provided herein, the procedures applicable to such an appeal shall be governed by Chapter 19. Any petitions for an extension of time in which to file an application must comply with and shall be governed by the provisions of Exchange Rule 19.2, and any such petition must be filed with the Secretary of the Exchange on or before the date specified pursuant to subsection (b)(iv) of this Rule in order to be eligible for consideration. Procedures applicable to all other time limit extensions shall be governed by Exchange Rule 19.6(b). Hearings will be conducted in accordance with the provisions of Exchange Rules 19.3 and 19.4. If a hearing is not requested, the review will be based on written submissions and will be conducted in a manner to be determined by the Appeals Committee.

(2)–(4) Unchanged.

(e)–(f) Unchanged. (g)

(1)–(3) Unchanged.

(4) Failure to submit accurate trade information and failure to submit trade information to the price reporters. (Rule 6.51)

(a) A fine shall be imposed upon a Market-Maker or Floor Broker who fails to submit trade information in accordance with Rule 6.51. [executes at least five (5) transactions on each of at least ten (10) different trading days during any month and who submits inaccurate or no transaction times to the Exchange for a significant percentage of transactions executed during month.] Such fines shall be imposed on the basis of the following schedule:

[Percentage of] Number of Offenses⁵

[Inaccurate Times] in any Rolling Twelve-Month Period	Fine amount
[20% or more, but less than 30%] 1st Offense	\$[100] 500
[30% or more, but less than 40%] 2nd Offense	[250] 1,000
[40% or more] Subsequent Offenses	[500] 2,500

⁵For purposes of CBOE Rule 17.50(g)(4), an "offense" would be defined as an instance in which a pattern or practice of late reporting or failure to report without exceptional circumstances has been determined. See Amendment No. 2, *supra*.

[(b) If, in any eighteen (18) calendar month period, a Market-Maker or Floor Broker incurs two (2) fines under subsection (a) hereof, any subsequent fine imposed hereunder for any month during such eighteen (18) month period shall be equal to the sum of (i) the appropriate fine amount under subsection (a) and (ii) an amount equal to the total fine most recently incurred under this subsection (b) during such eighteen (18) month period.]

[(5) Failure to Submit Trade Information to the Price Reporter. (Rule 6.51)]

[(a) A Market-Maker or Floor Broker who executes at least twenty-five (25) sale transactions during any month and who fails to submit required information to the price reporter for a significant percentage of transactions executed during such month shall be subject to the following fines:]

Percentage of sale transaction for applicable month that were not submitted to price reporting	
Per Market Data Retrieval Reports—Fine	
30% or more, but less than 40%	\$300
40% or more, but less than 50%	500
50% or more	1,000

(b) If, in any eighteen (18) calendar month period, a Market-Maker or Floor Broker incurs two (2) fines under subsection (a) hereof, any subsequent fine imposed hereunder for any month during such eighteen (18) month period shall be equal to the sum of (i) the appropriate fine amount under subsection (a) and (ii) an amount equal to the total fine incurred under this subsection (b) during such eighteen (18) month period.]

[(6)](5) Violations of Trading Conduct and Decorum Policies (Rule 6.20) Unchanged.

[(7)](6) Failure to Submit Trade Data on Trade Date ("As of Adds") (Rule 6.51) Unchanged.

[(8)](7) Violations of Exercise and Exercise Advice Rules for Noncash-Settled Equity Options (Rule 11.1, Interpretation and Policy .06) Unchanged.

[(9)](8) Violations of Exercise and Exercise Advice Rules for American-Style, Cash-Settled Index Options (Rule 11.1, Interpretation and Policy .03) Unchanged.

* * * Interpretations and Policies:

.01 Unchanged.

[(2) A time submitted for a transaction pursuant to subsection (g)(4) of this Rule shall generally be considered accurate if such

time is within five minutes of either (a) the time submitted by the other party to the transaction or (b) the time the transaction was disseminated by the Exchange's price reporter, provided that trading in the relevant contract was eligible to take place during such times.]

[(.03).02 (a) The Exchange shall attempt to serve members fined pursuant to subsection (g)(4) [or (g)(5)] of this Rule with a written statement in accordance with section (b) of this Rule [on or before the tenth (10th) day of] within the month immediately following the month in which the violations were alleged to have occurred. Such members may, [on or before the twenty-fifth (25th) day of the month in which] within fifteen (15) days after such service was effected, request verification of the fine by the Exchange.

(b) Notwithstanding the provisions of Interpretation and Policy .03 (a) above, there shall be a cap on the number of transactions during a particular month with respect to which a member fined pursuant to subsection (g)(4) [or (g)(5)] of this Rule may request verification. Such cap shall be imposed pursuant to the following schedule:

Number of [violations] of fines	Maximum number of transactions during a particular month with respect to which verification may be requested within [an eighteen] a rolling twelve month period
1-2	No Limit.
3+	The greater of (i) 50 transactions or (ii) 10% of the number of transactions deemed not to be in compliance with Rule 17.50(g)(4) [or Rule 17.50(g)(5), as applicable.

The foregoing cap shall apply separately to fines imposed pursuant to subsection (g)(4) of this Rule and to fines imposed pursuant to subsection (g)(5) of this Rule.]

(c) The Exchange shall attempt to serve members fined pursuant to subsection (g)(7) of this Rule with a written statement in accordance with section (b) of this Rule on or before the tenth (10th) day of the month immediately following the month in which the violations were alleged to have occurred. Such members may, on or before the twenty-fifth (25th) day of the month in which such service was effected, request verification of the fine by the Exchange.

(d) Unchanged.

[.04].03 Any fine imposed pursuant to subsection (g)(6)(5) that (i) does not exceed \$1,000 and (ii) is not contested, shall not be reported by the Exchange to the SEC, except as may otherwise be required by Exchange Act Rule 19d-1 and by any other regulatory authority.

[.05].04 The BCC may consolidate into one hearing (i) the review of any fine imposed pursuant to Rule 17.50(g)(6)(5) that exceeds \$2500 (which would be subject to a hearing under Rule 17.50(c)) and (ii) the review of any fine imposed pursuant to Rule 17.50(g)(6)(5) that does not exceed \$2500 (which would otherwise be subject to a hearing under Rule 17.50(d)), if the alleged violations that are the subject of the fines involve the same or a related transaction or occurrence. In case of a consolidation, the procedures governing the disposition of the matter shall be those set forth in Rule 17.50(c). If the review of a fine is to be based upon written submissions then that review may not be consolidated. The BCC may consolidate the review of such matters on its own motion or upon request from the Exchange or the subject of one of the fines. In the event that the BCC determines to consolidate the review of such matters or receives a request to consolidate such matters, the BCC will give all parties to the matters that are subject to possible consolidation a reasonable opportunity to support the consolidation or object to the consolidation in writing. In determining whether to consolidate the review of such matters, the BCC shall take into account such factors as it deems relevant including, but not limited to, the staff resources and time that may be saved by the consolidation and whether the consolidation could potentially be prejudicial to the parties involved.

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 CBOE included statements concerning the purpose of, and basis for, the

proposed rule change, as amended, 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 CBOE 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 Exchange proposes to amend CBOE Rule 6.51 to require the reporting of options transactions within 90 seconds. The Exchange also proposes to amend CBOE Rule 17.50 to (i) consolidate and modify the fine schedules for both inaccurate times and unreported sales, (ii) eliminate Interpretation and Policy .02 of CBOE Rule 17.50 in accordance with the amendments to CBOE Rule 6.51, (iii) revise the time period within which members served with a written statement in accordance with CBOE Rule 17.50(b) may request verification of the fine imposed, and (iv) eliminate the requirement that the Exchange contemporaneously send a copy of the written statement to the designated clearing member. The Exchange also proposes to issue a Regulatory Circular to modify Exchange policy regarding the application of CBOE Rule 17.50(g)(4).

The proposed rule change, as amended, would revise CBOE Rule 6.51 to require options transactions to be reported within 90 seconds of execution. Currently, CBOE Rule 6.51(a) requires the participant designated by the Exchange in each transaction to *immediately* report the transaction to the Exchange. Under the proposal, as amended, the designated member would be required to report or ensure that the transaction is reported to the Exchange within 90 seconds of execution. About 85% of options orders currently are electronically routed and executed and therefore, are immediately reported and "printed on the tape." The Exchange believes that the adoption of a specific standard for options trade reporting is appropriate, particularly for those options orders routed and executed manually. The Exchange notes that the

proposed rule change, as amended, is substantially similar to a proposed rule change by the American Stock Exchange ("Amex") that was recently approved by the Commission.⁶

The proposed rule change, as amended, would also revise Interpretation and Policy .01 of CBOE Rule 6.51 to provide that transactions not reported within 90 seconds after execution in accordance with CBOE Rule 6.51(a) and Interpretation and Policy .01 would be designated as late. A pattern or practice of late reporting without exceptional circumstances may be considered conduct inconsistent with just and equitable principles of trade and subject to summary fine under CBOE Rule 17.50 or to discipline by the CBOE's Business Conduct Committee.

Additionally, the proposal would revise CBOE Rule 17.50 to consolidate and modify the fine schedules for both failure to submit accurate trade information under CBOE Rule 17.50(g)(4) and failure to submit trade information to the price reporter under CBOE Rule 17.50(g)(5). The Exchange proposes to revise Paragraph (g)(4) of CBOE Rule 17.50 to provide that a fine will be imposed on a Market-Maker or Floor Broker who fails to submit trade information in accordance with CBOE Rule 6.51. The fine schedule under CBOE Rule 17.50(g)(4) would be replaced with a new fine schedule that would impose fines according to the number of offenses committed during any rolling twelve month period. Specifically, a first offense would incur a fine amount of \$500, a second offense would incur a \$1,000 fine, and subsequent offenses would incur a \$2,500 fine.

The Exchange also proposes to eliminate Interpretation and Policy .02 of CBOE Rule 17.50, because under the proposal rule change, as amended, the surveillance for late trade reports would be conducted pursuant to the provisions of amended Interpretation and Policy .01 of CBOE Rule 6.51.

Moreover, the proposal would revise the time-period within which a member served with a written statement pursuant to CBOE Rule 17.50(b) can request verification of the fine.

⁶ See Securities Exchange Act Release No. 43233 (Aug. 30, 2000) (approving File No. SR-Amex-00-03).

Currently, CBOE Rule 17.50 Interpretation and Policy .03(a) requires the Exchange to attempt to serve members fined pursuant to CBOE Rule 17.50 with a written statement on or before the tenth day of the month immediately following the month in which the violations were alleged to have occurred. Fined members may request verification of the fine on or before the twenty-fifth day of the month in which service was affected. The proposal would amend the time period within which a fined member, served with a written statement pursuant to Interpretation and Policy .03(a) of CBOE Rule 17.50(b), could request verification of the fine to fifteen days after the date of service of the written statement. The Exchange believes that this change is necessary to allow staff additional time to process account exceptions.

The Exchange also proposes to amend CBOE Rule 17.50(b) by deleting the statement that the Exchange shall contemporaneously send a copy of the written statement served on members fined pursuant to CBOE Rule 17.50 to the clearing member previously designated by the member pursuant to Exchange Rule 3.23. The Exchange believes this procedure can be eliminated because clearing members are advised of the fine imposed on a member through the Exchange's automated billing system.⁷

Finally, the Exchange proposes to issue a Regulatory Circular to its membership that, among other things modifies Exchange policy regarding the application of CBOE Rule 17.50(g)(4). Specifically, the Exchange proposes to modify Exchange policy pertaining to the verification process under CBOE Rule 17.50, Interpretation and Policy .03. Section (d) of Interpretation and Policy .03 states that verification requests will be made in the manner and form required by the Exchange. The proposed Regulatory Circular would inform the membership that, in accordance with Interpretation and Policy .03(d), CBOE market makers who do not utilize a market maker hand-held terminal may not request verification of any fine imposed under CBOE Rule 17.50(g)(4). The Exchange believes that this policy will encourage market makers to use hand-held terminals, which, in turn, will help prevent instances of late reporting because of illegible handwriting.

The proposed Regulatory Circular would also modify Exchange policy regarding the defenses a member fined pursuant to CBOE Rule 17.50(g)(4) could raise. Specifically, the Exchange

would notify members that they could not defend against a fine imposed pursuant to CBOE Rule 17.50(g)(4) the claim that a transaction time was inaccurately keypunched by a keypunch operator because an order ticket was illegible. Finally, the proposed Regulatory Circular would inform the membership of the proposed amendments to CBOE Rule 6.51 and CBOE Rule 17.50 and set forth guidelines to reflect Exchange policy with respect to the application of CBOE Rule 17.50(g)(4).

The Exchange proposes to implement the proposed rule change, as amended, six months after its approval by the Commission. The purpose of this time interval is to give the Exchange the opportunity to inform members of the partial approval of the proposed rule change, as amended, in the Exchange's Regulatory Bulletin, through the proposed Regulatory Circular, before the rule change is implemented. Additionally, the Exchange believes that the six-month interval will allow the Exchange to further inform the membership of the imminent changes, and to encourage compliance with the rule, by running the current exception process side by side with the proposed new exception process. During this six month time period, the Exchange's Department of Market Regulation will issue a written notice to a member in every instance during a subject review period when a time submitted by that member would have been determined to be inaccurate based on the new 90 second reporting criteria and subject to a summary fine notification under Rule 17.50(g)(4) for violation of Rule 6.51. The Exchange will publish the effective date of the rule change in the proposed Regulatory Circular.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,⁸ in general, and furthers the objectives of Section 6(b)(5),⁹ in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of change, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

⁸ 15 U.S.C. 78f(b).

⁹ 15 U.S.C. 78f(b)(5).

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

The Exchange does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

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

The Exchange neither solicited nor received written comments with respect to the proposed rule change.

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

With respect to the portion of the proposed rule change amending CBOE Rule 17.50, within 35 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 90 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 CBOE 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, as amended, 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 persons, 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-00-37 and should be submitted by October 16, 2000.

⁷ See CBOE Rule 17.50(e).

V. Commission's Findings and Order Granting Partial Accelerated Approval of Proposed Rule Change

The Commission finds that the portion of the proposed rule change, as amended, relating to the reporting of options transactions within 90 seconds after execution is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.¹⁰ Specifically, the Commission believes that the portion of the proposal, as amended, relating to the reporting of options transactions within 90 seconds after execution is consistent with the Section 6(b)(5)¹¹ requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, to protect investors and the public.

The Commission believes that the portion of the amended proposal, which requires the reporting of all options transactions within 90 seconds of execution, should help to prevent fraudulent and manipulative acts and practices, as well as to promote just and equitable principles of trade. The Commission believes that the portion of the proposed rule change, as amended, relating to CBOE Rule 6.51 should enable the Exchange to provide accurate trade information to investors more efficiently. The enhanced transparency associated with timely trade reporting should facilitate price discovery for investors and assist the CBOE's surveillance of its members' trading in listed options.

The CBOE has requested that the Commission find good cause for approving the portion of the proposed rule change, as amended, relating to CBOE Rule 6.51 prior to the thirtieth day after the date of publication of notice in the **Federal Register**. The Commission believes that the portion of the proposal relating to the reporting of options transactions within 90 seconds after execution is substantially similar to the Amex proposal to amend Amex rules to require the reporting of options transactions within 90 seconds of execution that was recently approved by the Commission.¹² The Amex proposal was noticed for the full 21-day comment period and no comments were received.

¹⁰ In approving this part of the proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹¹ 15 U.S.C. 78f(b)(5).

¹² See Securities Exchange Act Release No. 43233 (Aug. 30, 2000) (approving File No. SR-Amex-00-03).

Accordingly, the Commission finds good cause pursuant to Section 19(b)(2) of the Act¹³ to accelerate approval of the proposed rule change, as amended.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁴ that the portion of the proposed rule change amending CBOE Rule 6.51, to require the reporting of the options transactions within 90 seconds (File No. SR-CBOE-00-37), is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 00-24506 Filed 9-22-00; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration.

ACTION: Notice of reporting requirements submitted for OMB review.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

DATES: Submit comments on or before October 25, 2000. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

Copies: Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

ADDRESSES: Address all comments concerning this notice to: Agency Clearance Officer, Jacqueline White, Small Business Administration, 409 3rd Street, SW., 5th Floor, Washington, DC 20416; and OMB Reviewer, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: Jacqueline White, Agency Clearance Officer, (202) 205-7044.

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ *Id.*

¹⁵ 17 CFR 200.30-3(a)(12).

SUPPLEMENTARY INFORMATION:

Title: Prime "Program for Investment in Microentrepreneurs".

No: N/A.

Frequency: On Occasion.

Description of Respondents:

Disadvantage Entrepreneurs.

Annual Responses: 500.

Annual Burden: 40,000.

Jacqueline White,

Chief, Administrative Information Branch.

[FR Doc. 00-24542 Filed 9-22-00; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3295]

State of California

As a result of the President's major disaster declaration on September 14, 2000, I find that Napa County, California constitutes a disaster area due to damages caused by an earthquake that occurred on September 3, 2000. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on November 13, 2000, and for loans for economic injury until the close of business on June 14, 2001 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 4 Office, P. O. Box 13795, Sacramento, CA 95853-4795.

In addition, applications for economic injury loans from small businesses located in the contiguous counties of Lake, Solano, Sonoma, and Yolo may be filed until the specified date at the above location.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	7.375
Homeowners without credit available elsewhere	3.687
Businesses with credit available elsewhere	8.000
Businesses and non-profit organizations without credit available elsewhere	4.000
Others (including non-profit organizations) with credit available elsewhere	6.750
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	4.000

The numbers assigned to this disaster are 329502 for physical damage and 9I8400 for economic injury.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)