

Mississippi 39201, have filed a declaration under section 12(d) of the Act and rules 44(b) and 54 under the Act.

Entergy and the Entergy Operating Companies request authorization through December 31, 2004, to transfer, without further Commission approval, up to \$40,000,000 per year of utility assets in the aggregate, or no more than \$12,000,000 per individual Entergy Operating Company per year. The assets that Entergy and the Entergy Operating Companies wish to transfer include substations and transmission and distribution lines or other utility assets presently dedicated to serving customers. The application states that the consideration for any transfers will be no less than the net book value of the assets being sold. In the case of a lease of utility assets, the lease payments will be valued using a discount factor equal to the selling company's allowed rate of return at the time of entering into the lease and counted against the exemption amount in the initial year of the lease.

For the Commission by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42925; File No. SR-Amex-00-11]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change by the American Stock Exchange LLC Relating to Floor Official Rulings

June 13, 2000.

I. Introduction

On February 22, 2000, the American Stock Exchange LLC ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or "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 require a written record of all floor official rulings. The proposed rule change was published in the **Federal Register** on April 25, 2000.³ The Commission did not receive any comments on the proposed rule change.

This order approves the proposed rule change.

II. Description of the Proposed Rule Change

The Amex proposes to revise its Rule 22 to require a written record of all floor official rulings, including rulings involving complaints of harassment, intimidation or other activities in violation of Exchange rules by either specialists or traders. Currently, floor officials are not required to make a written record of their rulings unless specifically requested by a member to do so.

The Exchange proposes to develop a form to be used by floor officials on which they will be able to record their rulings. Floor officials will be required to prepare the completed rulings form as soon as practicable after the decision is made and to submit their rulings on the Exchange form at the end of each trading day. Floor officials who fail to complete the written rulings form may be removed from their position or may become ineligible for reappointment.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁴ In particular, the Commission finds that the proposed rule change is consistent with Section 6(b)(5) of the Act⁵ because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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. Further, the Commission finds that the proposal is consistent with the requirements of section 6(b)(7) of the Act⁶ because it provides a fair procedure for disciplining members of the Exchange.

The Amex has proposed to modify its procedures for rulings made by floor officials. Rather than relying solely on verbal rulings made on the floor, Amex proposes to require floor officials to reduce their rulings to writing and to require floor officials to submit such written rulings to the Exchange. The Commission believes that requiring written rulings will assist in fostering a fair disciplinary procedure on the floor

of the Exchange. A written ruling provides an official record of member conduct and the events that led to the floor official's decision. Members will be able to review the rulings and therefore, should be better able to conform their conduct to the requirements of the Exchange's rules. Further, members will have the floor official's written findings regarding the member's conduct and the basis upon which the floor official relied to make his or her decision. Members will continue to be able to appeal floor official decisions as is currently provided in Amex Rule 22. The Commission believes that a written record of the decision will enhance the fairness and efficiency of the appeals process.

Further, the Exchange will have a written record of the alleged conduct, upon which it may base investigations or other inquiries. The proposal requires floor officials to make their written rulings as soon as practicable after the decision is made. This should lead to a more complete and full description of the conduct and the floor official's basis for his or her ruling because floor officials should complete their written rulings while the details are fresh in their memories. A written record should provide the Exchange with an enhanced mechanism by which to prevent violations of its rules as well as the violations of the Act. The Exchange will review all floor official rulings and determine if further investigation or inquiry is warranted. This should enable the Exchange to enforce its rules in a more fair and efficient manner, and provide the Exchange with a means to prevent fraudulent and manipulative acts on its floor.

Finally, the proposal provides that if a floor official fails to submit his or her written findings to the Exchange at the end of each trading day, the floor official may be subject to removal or become ineligible for reappointment as a floor official. The Commission believes that this provision is appropriate because it seeks to enforce floor official compliance with the proposed rule change.

IV. Conclusion

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-Amex-00-11) is approved.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 42697 (April 18, 2000), 65 FR 24234.

⁴ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78f(b)(7).

⁷ 15 U.S.C. 78s(b)(2).

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42931; File No. SR-AMEX-99-45]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange LLC To Increase the Maximum Order Size Eligible for Automatic Execution

June 13, 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 October 25, 1999, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex. 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 Amex proposes to increase to seventy-five, the maximum permissible number of equity and index option contracts in an order executable through the AUTO-EX system. The text of the proposed rule change is available at the Office of the Secretary, Amex 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 Amex 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 Amex 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

In 1985, the Exchange implemented the AUTO-EX system, which automatically executes public customer market and marketable limit orders in options at the best bid or offer displayed at the time the order is entered into the Amex Order File ("AOF"). There are, however, limitations on the number of option contracts that can be entered into or executed by these systems. AOF, which handles limit orders routed to the specialist's book as well as orders routed to AUTO-EX, was recently increased to allow for the entry of orders up to 250 option contracts.³ Generally, however, AUTO-EX is only permitted to execute equity option orders and index option orders of up to fifty contracts.⁴ Thus, market and marketable limit orders of more than fifty contracts are generally routed by AOF to the specialist's book.

The Exchange now proposes to increase to seventy-five, the maximum permissible number of equity and index option contracts in an order that can be executed through the AUTO-EX system.⁵ It is proposed that this increase in permissible order size be implemented on a case-by-case basis for an individual option class or for all option classes when two floor governors or senior floor officials deem such an increase appropriate. The Exchange represents that it has sufficient systems capacity necessary to accommodate implementation of the proposed increase.

The Exchange represents that AUTO-EX has been extremely successful in enhancing execution and operational efficiencies during emergency situations and during other, non-emergency situations for certain option classes. The Exchange believes that automatic executions of orders for up to seventy-five contracts will allow for the quick, efficient execution of public customer orders.

³ See Securities Exchange Act Release No. 42128 (November 10, 1999), 64 FR 63836 (November 22, 1999).

⁴ See Securities Exchange Act Release No. 42094 (November 3, 1999), 64 FR 61675 (November 12, 1999). While the maximum permissible number of contracts in an option order executable through AUTO-EX is generally fifty contracts, there are three exceptions: the Institutional, Japan and S&P MidCap 400 Indexes allow ninety-nine contract orders.

⁵ Order size maximum levels for Institutional, Japan, and S&P MidCap 400 Indexes (*Id.*) would remain at ninety-nine contracts under this proposal.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)⁶ of the Act in general and furthers the objectives of Section 6(b)(5)⁷ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, 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.

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

Amex does not believe that the proposed rule change will impose any 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 solicited or received with respect to the proposed rule change.

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

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 self-regulatory 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. Solicitations of Comments

The Commission invites interested persons to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. In addition, the Commission seeks comment concerning whether the proposed rule change fosters quote competition among options market professionals and enhances investors' interests in obtaining the best available price.

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

⁶ 15 U.S.C. 78f(b).

⁷ 15 U.S.C. 78f(b)(5).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.