

critical of the NYSE's existing rules on broadly-based plans prior to the adoption of the original Pilot. As noted above, if the Pilot is not extended, the rules prior to the Pilot will go into effect. The proposed rule change merely extends the duration of the Pilot for only a short period of time and does not deal with the substantive issues presented by the Pilot itself.

Based on these reasons, the Commission believes that it is consistent with the protection of investors and the public interest that the proposed rule change to extend the Pilot through May 13, 2002, become operative on March 11, 2002.<sup>19</sup> 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.

#### 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. 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 above-mentioned self-regulatory organization. All submissions should refer to the File No. SR-NYSE-2002-14 and should be submitted by April 18, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>20</sup>

Margaret H. McFarland,

Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45544; File No. SR-PCX-2002-04]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Exchange, Inc. Relating to Permanent Adoption of Decimal Pricing and the Establishment of a Minimum Price Variation for Quoting in Equity Securities and Options

March 12, 2002.

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 January 15, 2002, 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 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 PCX fully implemented the Commission's order requiring it to convert prices in equity securities and options from fractions to decimals on a pilot basis. Having fully implemented decimal pricing and established the minimum price variation ("MPV") in each market for quoting equity securities and options, the Exchange submits this proposal to permanently adopt the changes that the Exchange has made to its rules. The Exchange is not making any changes to its rules; rather, the Exchange is permanently adopting the rule changes that were initially implemented on a pilot basis.<sup>3</sup>

The text of the proposed rule change is available at the PCX and at the Commission.

<sup>20</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 43369 (September 27, 2000), 65 FR 59485 (October 5, 2000) (SR-PCX-2000-23); see also Securities Exchange Act Release No. 45077 (November 19, 2001), 66 FR 59280 (November 27, 2001) (SR-PCX-2001-39) (eliminating all references to fractional pricing from its rules).

## 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 III 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

On June 8, 2000, the Commission issued an order ("Order") that provided a framework for the national securities exchanges and the National Association of Securities Dealers, Inc. (collectively "Participants") to convert quotation pricing in equity securities and options from fractions to decimals.<sup>4</sup> The Order required that: (i) Participants submit studies analyzing how decimal conversion affects systems capacity, liquidity, and trading behavior; and (ii) Participants submit rule filings that individually establish the MPV for each market.

In complying with the Order, the Participants submitted to the Commission on July 26, 2000, the Decimals Implementation Plan for the Equities and Options Markets<sup>5</sup> and successfully completed the phasing-in of decimal pricing in all equity securities and options. In connection with the full implementation, the Exchange modified its rules to include pricing in decimal format with cross-references to fractional pricing. This was done to allow the Exchange to trade, during the phase-in, some securities in decimals and some in fractions. The Exchange also established an MPV scheme for each market (equities and options) and submitted its study of the results on September 10, 2001.<sup>6</sup> The Exchange completed its transition to decimal pricing by eliminating references to fractional

<sup>4</sup> See Securities Exchange Act Release No. 42914 (June 8, 2000), 65 FR 38010 (June 19, 2000).

<sup>5</sup> See letter from Dennis L. Covelli, Vice President, New York Stock Exchange, Inc. to Annette Nazareth, Director, Division of Market Regulation, Commission, dated July 25, 2000.

<sup>6</sup> See The Pacific Exchange, Inc. Report on Decimal Trading (September 10, 2001).

<sup>19</sup> For purposes only of accelerating the operative date of this proposal, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

pricing.<sup>7</sup> The Exchange now proposes to permanently adopt the rules, previously noticed by the Commission, with no change.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act<sup>8</sup> in general, and furthers the objectives of section 6(b)(5) of the Act<sup>9</sup> in particular, in that it is designed to facilitate transactions in securities, to promote just and equitable principals of trade, and to protect investors and the public interest.

### *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.

### *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 Exchange 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. 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. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing will also be available for inspection and copying at the principal offices of the Exchange. All submissions should refer to File No. SR-PCX-2002-04 and should be submitted by April 8, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-6450 Filed 3-15-02; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45539; File No. SR-PHLX-2001-120]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Amending Phlx Rule 237, "The eVWAP Morning Session"

March 12, 2002.

On December 26, 2001, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), 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> a proposed rule change to amend Phlx Rule 237, "The eVWAP Morning Session," to: (1) Allow Exchange-Traded Fund Shares to be executed on the eVWAP System; (2) codify order increment size requirements; and (3) make minor technical amendments to Phlx Rule 237. On January 25, 2002, the Phlx made minor, technical amendments to the proposal.

The proposed rule change, as amended, was published for comment in the **Federal Register** on February 1, 2002.<sup>3</sup> The Commission received no comments 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 exchange<sup>4</sup> and, in particular, the requirements of Section 6 of the Act<sup>5</sup> and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change is consistent with section 6(b)(5) of the Act<sup>6</sup> because it will expand the number of securities eligible for eVWAP trading, as well as codify order and commitment size requirements.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act<sup>7</sup>, that the proposed rule change (SR-PHLX-2001-120), as amended, be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-6452 Filed 3-15-02; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

### Wisconsin District Advisory Council; Public Meeting

The U. S. Small Business Administration Advisory board will hold a public meeting on Wednesday March 27, 2002. The Wisconsin Advisory Council meeting will take place at the Plaza East office building located at 330 East Kilbourn Ave., 8th floor Milwaukee, Wisconsin. The time set forth is 12 noon to 1 pm. The purpose for this meeting will be to discuss such matters as may be presented by members, staff of the U.S. Small Business Administration or others present. For further information, please write or call Yolanda Staples-Lassiter, U. S. Small Business Administration, 310 West Wisconsin Ave., Suite 400 Milwaukee, Wisconsin 53202; Telephone (414) 297-1090. The public is invited.

**Steve Tupper,**

*Committee Management Officer.*

[FR Doc. 02-6418 Filed 3-15-02; 8:45 am]

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<sup>4</sup> In approving this proposed rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>5</sup> 15 U.S.C. 78f.

<sup>6</sup> 15 U.S.C. 78f(b)(5).

<sup>7</sup> 15 U.S.C. 78s(b)(2).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

<sup>10</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> 17 CFR 240. 19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 45343 (January 28, 2002), 67 FR 5027.

<sup>7</sup> See *supra* note 3.

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

<sup>9</sup> 15 U.S.C. 78f(b)(5).