

impending termination or amendment at least 60 days prior to the date of termination or the effective date of the amendment, provided that: (a) No such notice need be given if the only material effect of an amendment is to reduce or eliminate the sales charge payable at the time of an exchange, to make one or more New Series eligible for the Exchange Privilege, Conversion Offer or Rollover Privilege, or to delete a Series which has terminated; and (b) no notice need be given if, under extraordinary circumstances, either (i) there is a suspension of the redemption of Units of the Series under section 22(e) of the Act and the rules and regulations promulgated under that section, or (ii) a Series temporarily delays or ceases the sale of its Units because it is unable to invest amounts effectively in accordance with applicable investment objectives, policies, and restrictions.

3. An investor who purchases Units under the Exchange Privilege, Conversion Offer or Rollover Privilege will pay a lower sales charge than that which would be paid for the Units by a new investor.

D. Net Worth Requirements

Applicants will comply in all respects with the requirements of rule 14a-3, except that the Series will not restrict their portfolio investments to "eligible trust securities."

E. Purchase and Sale Transactions Between a Terminating Series and a New Series

1. Each sale of Qualified Securities by a Terminating Series to a New Series will be effected at the closing price of the securities sold on a Qualified Exchange on the sale date, without any brokerage charges or other remuneration except customary transfer fees, if any.

2. The nature and conditions of such transactions will be fully disclosed to investors in the appropriate prospectus of each Terminating Series and New Series.

3. The Trustee of each Terminating Series and New Series will review the procedures discussed in the application relating to the sale of securities from a Terminating Series and the purchase of those securities for deposit in a New Series, and make such changes to the procedures as the Trustee deems necessary to ensure compliance with paragraphs (a) through (d) of rule 17a-7.

4. A written copy of these procedures and a written record of each transaction pursuant to this order will be maintained as provided in rule 17a-7(g).

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 04-3830 Filed 2-20-04; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49239; File No. SR-Amex-2004-02]

Self-Regulatory Organizations; Notice of Filing of a Proposed Rule Change and Amendment No. 1 Thereto by the American Stock Exchange LLC Relating to the Listing and Trading of Notes Linked to the Performance of the Select Utility Index

February 12, 2004.

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 January 8, 2004, 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 Exchange. On February 12, 2004, the Exchange filed Amendment No. 1 to the proposed rule change.³ 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 list and trade notes, the return on which is based upon a modified market capitalization-weighted portfolio of 20 dividend paying common stocks selected from the Standard & Poor's ("S&P") Utilities Sector, as reconstituted from time to time in the manner set forth below (the "Select Utility Index" or "Index").

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter from Jeffrey P. Burns, Associate General Counsel, Amex, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated February 11, 2004 ("Amendment No. 1"). In Amendment No. 1, the Amex clarified its earlier comparison of the Select Utility Index proposed herein with an existing index, the Select Sector Utilities Index. The Amex also included a representation that the Exchange would consult with the Commission in the event that the number of Index components falls to ten (10) or fewer stocks.

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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

Under Section 107A of the Amex Company Guide ("Company Guide"), the Exchange may approve for listing and trading securities which cannot be readily categorized under the listing criteria for common and preferred stocks, bonds, debentures, or warrants.⁴ The Amex proposes to list for trading under Section 107A of the Company Guide notes, the performance of which is linked to the Select Utility Index (the "Select Utility Index Notes" or "Notes"). The Select Utility Index will be calculated and maintained solely by the Amex.⁵

The Notes will initially conform to the listing guidelines under Section 107A⁶ and continued listing guidelines

⁴ See Securities Exchange Act Release No. 27753 (March 1, 1990), 55 FR 8626 (March 8, 1990) (order approving File No. SR-Amex-89-29).

⁵ Subject to the criteria in the prospectus regarding the construction of the Index, the Exchange has sole discretion regarding changes to the Index due to reconstitutions and adjustments to the Index and the multipliers of the individual components. Amex represents that it maintains and enforces appropriate policies and trading restrictions that address the use of non-public information by its employees, such as non-public knowledge derived in the component selection and maintenance of the Select Utilities Index. Telephone Conversation between Jeffrey P. Burns, Associate General Counsel, Amex, and Florence Harmon, Senior Special Counsel, Division, Commission, on February 10, 2004.

⁶ The initial listing standards for the Notes require: (1) A minimum public distribution of one million units; (2) a minimum of 400 shareholders; (3) a market value of at least \$4 million; and (4) a term of at least one year. In addition, the listing guidelines provide that the issuer have assets in excess of \$100 million, stockholder's equity of at least \$10 million, and pre-tax income of at least \$750,000 in the last fiscal year or in two of the three prior fiscal years. In the case of an issuer which is unable to satisfy the earning criteria stated in Section 101 of the Company Guide, the Exchange will require the issuer to have the following: (1) Assets in excess of \$200 million and stockholders' equity of at least \$10 million; or (2) assets in excess

under Sections 1001–1003⁷ of the Company Guide. The Notes are senior non-convertible debt securities of Merrill Lynch & Co., Inc. (“Merrill Lynch”). The Notes will have a term of not less than one nor more than ten years. The Notes will entitle the owner at maturity to receive an amount based upon the percentage change of the Index over the term of the Notes. The starting value (the “Starting Value”) of the Select Utility Index initially will be set to 100 on the date the Notes are priced for initial sale to the public (the “Origination Date”). The ending value (the “Ending Value”) is the value of the Select Utility Index over a period of five business days shortly before the expiration of the Notes. The Ending Value will be used in calculating the amount owners will receive upon maturity (the “Redemption Amount”). The Notes will not have a minimum principal amount that will be repaid and, accordingly, payments on the Notes prior to or at maturity may be less than the original issue price of the Notes. During an approximately two-week period in the designated month each year, investors will have the right to require the Issuer to repurchase the Notes at an amount based on the value of the Index at such repurchase date. The Notes are not callable by the issuer.

The Notes are cash-settled in U.S. dollars and do not give the holder any right to receive a portfolio security or any other ownership right or interest in the portfolio of securities comprising the Index. The Notes are designed for investors who want to participate or gain exposure to specific securities within the S&P Utilities Sector and who are willing to forego market interest payments on the Notes during such term. The Commission has previously approved the listing of the Utilities Select Sector SPDR Fund based on the Utilities Select Sector Index.⁸ Although

the Select Sector Utilities Index and the proposed Select Utility Index are similar by providing exposure to the utility industry sector of the economy, the methodology of each index differs so that the number of index components as well as the component stocks are not the same.⁹ The Exchange also lists and trades options on the Utilities Select Sector SPDR Fund.

The securities contained in the Select Utility Index (the “Select Utility Stocks”) initially were determined on December 17, 2003 (the “Initial Determination Date”).¹⁰ The Index will thereafter be reconstituted quarterly in January, April, July and October (each a “Reset Period”) on the second business day prior to the start of the Reset Period (each a “Determination Date”). A weighting will be assigned to each Select Utility Stock based upon the market capitalization of such stock relative to the other newly determined Select Utility Stocks, subject to a maximum weighting for any single stock of no more than 10% of the aggregate market capitalization of the newly determined Select Utility Stocks (the “Select Utility Portfolio”). The market capitalization will be the product of the total number of shares outstanding for the Select Utility Stocks, as published by S&P, and the closing market price for such stock on the Determination Date. The aggregate amount, if any, by which all Select Utility Stocks are reduced due to this 10% limitation will be redistributed proportionately across the remaining stocks that represent less than 10% of the aggregate market capitalization. If any other stock comes to exceed this 10% limit as a result of such redistribution, the weights for such stock will be set to 10% of the aggregate market capitalization, and the redistribution will be repeated. The “Share Multiplier” for each Select Utility Stock will be determined over five business days included in any Reset

Period or the Origination Period.¹¹ Each Share Multiplier will be determined by using the weighting of each Select Utility Stock fixed on a Determination Date and the applicable closing prices of such Select Utility Stock observed on each day during any Reset Period or Origination Period. After any Reset Period or Origination Period, each Share Multiplier will remain constant unless adjusted for quarterly dividends, quarterly reconstitutions or certain corporate events.

The stocks included in the Select Utility Portfolio will be stocks determined by the Amex to be Qualifying Stocks having the twenty (20) highest Combined Dividend Scores¹² on the relevant Determination Date. “Qualifying Stocks” are all stocks in the S&P Utilities Sector, a subset of the S&P Composite 1500 Index composed of stocks classified by S&P’s as GICS® Utilities Sector companies, except for (i) stocks which have not paid dividends in the prior calendar year, (ii) stocks which have an Expected Dividend Growth Estimate of zero or less and (iii) stocks which have an average daily value traded over the prior 30 calendar days less than \$5,000,000. In the event that less than twenty (20) of the S&P Utilities Sector stocks are Qualifying Stocks, the Select Utility Index will operate with less than twenty Select Utility Stocks until such time that twenty or more Qualifying Stocks are identified on a Determination Date. In addition, the Amex represents that if the number of Index components falls to ten (10) or fewer stocks, Amex will consult with the Commission.¹³ The “Expected Dividend Growth Estimate” for each S&P Utilities Sector stock will equal the quotient of the expected dividend for the subsequent fiscal year, published by Institutional Brokers’ Earnings System, over the Current Dividend minus one.

Initial Value of the Select Utility Index

The Select Utility Index will not fully reflect changes in the value of the Select

of \$100 million and stockholders’ equity of at least \$20 million.

⁷ The Exchange’s continued listing guidelines are set forth in Sections 1001 through 1003 of Part 10 to the Exchange’s Company Guide. Section 1002(b) of the Company Guide states that the Exchange will consider removing from listing any security where, in the opinion of the Exchange, it appears that the extent of public distribution or aggregate market value has become so reduced to make further dealings on the Exchange inadvisable. With respect to continued listing guidelines for distribution of the Notes, the Exchange will rely, in part, on the guidelines for bonds in Section 1003(b)(iv). Section 1003(b)(iv)(A) provides that the Exchange will normally consider suspending dealings in, or removing from the list, a security if the aggregate market value or the principal amount of bonds publicly held is less than \$400,000.

⁸ See Securities Exchange Act Release No. 40749 (December 4, 1998), 63 FR 68483 (December 11, 1998) and Investment Company Act Release No.

23492 (October 20, 1998), 63 FR 57332 (October 27, 1998).

⁹ The proposed Select Utility Index is comprised of twenty (20) dividend paying securities of the S&P Utilities Sector while the Select Sector Utilities Index is comprised of thirty-seven (37) utility Securities that may or may not be included within the S&P Utilities Sector.

¹⁰ As of the Initial Determination Date, the Select Utility Index consisted of the following stocks: Atmos Energy Corporation (ATO); Black Hills Corporation (BKH); Consolidated Edison Inc. (ED); Constellation Energy Group (CEG); Energy East Corporation (EAS); FirstEnergy Corp. (FE); FPL Group, Inc. (FP); National Fuel Gas Company (NFG); Nicor Inc. (GAS); NiSource Inc. (NI); Northeast Utilities System (NU); NSTAR (NST); Oneok, Inc. (OKE); Pinnacle West Capital Corporation (PNW); PPL Corporation (PPL); Progress Energy, Inc. (PGN); Questar Corporation (STR); SCANA Corporation (SCG); The Southern Company (SO); and TXU Corporation (TXU).

¹¹ The Origination Period is a five (5) day period commencing on the Origination Date and lasting for the next four (4) business days when the Index is calculated or published.

¹² The “Combined Dividend Score” for each Qualifying Stock will equal the sum of the Dividend Yield and the Expected Dividend Growth Estimate for such common stock, represented as a percentage. The “Dividend Yield” for each S&P Utilities Sector stock will be determined by annualizing the last quarterly or semi-annual ordinary cash dividend for which the ex-dividend date has occurred, excluding any dividend which is deemed by the Index Calculation Agent in its sole discretion to constitute an extraordinary dividend (the “Current Dividend”), and dividing the result by the last available sale price for such stock on its primary exchange on the Determination Date.

¹³ See Amendment No. 1, *supra* n. 3.

Utility Portfolio until the end of the Origination Period. During the Origination Period, the Select Utility Index will be calculated as though it tracked the value of (a) a decreasing pool of cash and (b) an increasing investment in the Select Utility Stocks. The Select Utility Portfolio Value will be allocated to the Select Utility Portfolio over a period of five (5) business days, with 20% of the value being so allocated at the close of business on each such day.

For example, at the close of business on the Origination Date, the first Origination Period Day, the Select Utility Index will be calculated as though it tracked the value of, for instance, an initial \$100 investment, \$80 of which remained in cash and \$20 of which was deemed to have been invested in the Select Utility Stocks at the close of the market on such day and in proportion to the respective weight for each Select Utility Stock. At the close of business on the next, or second, Origination Period Day, the Select Utility Index will be calculated as though it tracked the value of the same initial \$100 investment, \$60 of which remained in cash, \$20 of which was deemed to have been invested in the Select Utility Stocks at the close of the market on such day and \$20 of which had been previously purchased at the previous day's closing price. At the close of business on the third business day, the Select Utility Index will be calculated as though it tracked the value of the same initial \$100 investment, \$40 of which remained in cash, \$20 of which was deemed to have been invested in the Select Utility Stocks at the close of the market on such day and \$40 of which had been previously purchased at the prior closing prices. At the close of business on the fourth business day, the Select Utility Index will be calculated as though it tracked the value of the same initial \$100 investment, \$20 of which remained in cash, \$20 of which was deemed to have been invested in the Select Utility Stocks at the close of the market on such day and \$60 of which had been purchased at the prior closing prices. At the close of business on the fifth business day, the Select Utility Index will be calculated as though it tracked the value of the same initial \$100 investment, \$0 of which remained in cash, \$20 of which was deemed to have been invested in the Select Utility Stocks at the close of the market on such day and \$80 of which had been purchased at the prior closing prices. In this way, only on the sixth business day and thereafter will the Select Utility

Index fully reflect full exposure to the changes in the values of the Select Utility Portfolio.

On any Origination Period Day, the value of the Select Utility Index will equal (i) The sum of the products of the current market price for each of the Select Utility Stocks and the applicable interim Share Multiplier, plus (ii) the value of the hypothetical pool of cash, plus (iii) an amount equal to Current Quarter Dividends,¹⁴ and less (iv) a pro rata portion of the annual Index Adjustment Factor.¹⁵ Each interim Share Multiplier will equal the number of shares of the related Select Utility Stock included in the Select Utility Portfolio. The Share Multiplier for any Select Utility Stock will be determined as follows, continuing the example provided in the paragraph above. Of the daily \$20 investment in the Select Utility Stocks to be made at the close of business on the first Origination Period Day, a percentage of such daily investment equal to the percentage weighting of the specific Select Utility Stock will be used to purchase the number of shares of that Select Utility Stock that can be purchased at the closing market price of that Select Utility Stock on such Origination Period Day. The number of shares purchased is the Share Multiplier for the first Origination Period Day. This process will be repeated on each day during the Origination Period and the sum of such deemed stock purchases on any Origination Period Day and previously determined interim Share Multiplier will equal the interim Share Multiplier for that Select Utility Stock. In this way, the interim Share Multiplier will increase at the close of business on each Origination Period Day, and at the end of the Origination Period, the Share Multiplier will thereafter be fixed until adjusted for quarterly dividends, quarterly reconstitutions or certain corporate events.

Quarterly Index Reconstitution

The Select Utility Index will be reconstituted quarterly after a fixed date in January, April, July and October of each year during the term of the Notes

¹⁴ "Current Quarter Dividends" for any day will be determined by the Exchange and will equal the sum of the products for each Select Utility Stock of the cash dividend paid by an issuer on one share of stock during the quarterly period containing the day for which the applicable Current Quarter Dividends are being determined multiplied by the Share Multiplier applicable to that stock on the ex-dividend date.

¹⁵ The Index Adjustment Factor is 1.5% per annum and will reduce the value of the Select Utility Index each day by the pro rata amount. The Exchange will use an index divisor to reduce the Select Utility Index daily by the pro rata portion of the Index Adjustment Factor.

(each a "Reset Date"). The Exchange will select the twenty (20) Qualifying Stocks having the highest Combined Dividend Scores (the "New Stocks") on the sixth scheduled business day prior to the applicable Reset Date (the "Quarterly Determination Date") using the methodology described above.

The Select Utility Index will not fully reflect changes in the Select Utility Portfolio until the end of the Reset Period. Each Reset Period begins on the fourth business day prior to the Reset Date and ends on the Reset Date. During the Reset Period, the Select Utility Stocks comprising the Select Utility Portfolio for the quarter ending on such Reset Date (the "Old Stocks") will be sold at the close of business each day in an amount equal to approximately 20% of the position represented by the applicable Share Multipliers as of the commencement of the Reset Period. The proceeds from such deemed daily stock sales, the value of which will equal the product of one-fifth of the Share Multiplier for each of the Old Stocks and the closing price of such Old Stock on such day, will be invested in the New Stocks through a deemed daily purchase of such New Stocks, based upon the percentage weighting of each New Stock determined on the Quarterly Determination Date and the closing prices of each New Stock observed on the applicable Reset Period Day (as the initial Select Utility Stocks were deemed to have been purchased as described above). Therefore, during the Reset Period, the Select Utility Index will be calculated as though it tracked the value of (a) a decreasing investment in the Old Stocks and (b) an increasing investment in the New Stocks.

On any business day, except during the Origination Period, the value of the Index will equal (i) the sum of the products of the current market price for each of the Select Utility Stocks and the applicable Share Multiplier, plus (ii) an amount equal to Current Quarter Dividends less (iii) a pro rata portion of the annual Index Adjustment Factor.

Merrill Lynch proposes to initially constitute and reconstitute the Select Utility Index in this manner in order to reduce the market impact. In addition, this process will also provide a better process for the Issuer to hedge its market risk in connection with the Notes. Although we believe that there will be limited change in the component stocks of the Index, there may be significant changes in the weightings of the Index components. Accordingly, the process of constitutions and reconstitutions described above, should help to alleviate both market impact and Issuer risk.

The Exchange will calculate the Select Utility Index and, similar to other stock index values published by the Exchange, the value of the Select Utility Index will be calculated continuously and disseminated every fifteen (15) seconds on the Consolidated Tape Association's Network B.

Because the Select Utility Index Notes are linked to a portfolio of equity securities, the Amex's existing equity floor trading rules will apply to the trading of the Notes. First, pursuant to Amex Rule 411, the Exchange will impose a duty of due diligence on its members and member firms to learn the essential facts relating to every customer prior to trading the Notes.¹⁶ Second, the Notes will be subject to the equity margin rules of the Exchange.¹⁷ Third, the Exchange will, prior to trading the Notes, distribute a circular to the membership providing guidance with regard to member firm compliance responsibilities (including suitability recommendations) when handling transactions in the Notes and highlighting the special risks and characteristics of the Notes. With respect to suitability recommendations and risks, the Exchange will require members, member organizations and employees thereof recommending a transaction in the Notes: (1) To determine that such transaction is suitable for the customer, and (2) to have a reasonable basis for believing that the customer can evaluate the special characteristics of, and is able to bear the financial risks of such transaction. In addition, Merrill Lynch will deliver a prospectus in connection with the initial sales of the Notes.

The Exchange represents that its surveillance procedures are adequate to properly monitor the trading of the Notes. Specifically, the Amex will rely on its existing surveillance procedures governing equities, which have been deemed adequate under the Act. In addition, the Exchange also has a general policy, which prohibits the distribution of material, non-public information by its employees.

2. Statutory Basis

The Exchange believes that the proposed rule change, as amended is consistent with section 6 of the Act¹⁸ in general and furthers the objectives of

section 6(b)(5)¹⁹ in particular in that it is designed to prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system.

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

The Exchange does not believe that the proposed rule change, as amended, 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

The Exchange did not receive any written comments on 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 the proposed rule change, as amended, or

B. Institute proceedings to determine whether the proposed rule change, as amended, 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. Comments may also be submitted electronically to the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. SR-Amex-2004-02. The file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. 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 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 Amex. All submissions should refer to the File No. SR-Amex-2004-02 and should be submitted by March 15, 2004.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.²⁰

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 04-3780 Filed 2-20-04; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49240; File No. SR-Amex-2003-21]

Self-Regulatory Organizations; Order Approving Proposed Rule Change and Amendment Nos. 1, 2, 3, and 4 Thereto by the American Stock Exchange LLC Relating to At-the-Close Orders and Auxiliary Opening Procedures

February 12, 2004.

On March 27, 2003, 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 (1) to adopt Amex Rule 131A to set forth Exchange rules and procedures regarding at-the-close orders; (2) to amend Amex Rules 131 and 156 relating to at-the-close orders; (3) to implement additional procedures, relating to daily at-the-close procedures and expiration day auxiliary opening procedures; and (4) to adopt Amex Rule 118(m) to reflect procedures applicable to at-the-close orders in Nasdaq securities traded on the Exchange pursuant to unlisted trading privileges. On September 10, 2003, the Amex amended the proposed rule change.³ On October 20, 2003, the

²⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Claire P. McGrath, Senior Vice President and Deputy General Counsel, Amex, to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated September 9, 2003 ("Amendment No. 1").

¹⁶ Amex Rule 411 requires that every member, member firm or member corporation use due diligence to learn the essential facts, relative to every customer and to every order or account accepted.

¹⁷ See Amex Rule 462 and Section 107B of the Company Guide.

¹⁸ 15 U.S.C. 78f(b).

¹⁹ 15 U.S.C. 78f(b)(5).