

open market and the national market system, protect investors and the public interest and promote just and equitable principles of trade, by establishing the capability of the Exchange to provide automatic executions for eligible orders at the disseminated size, subject to minimum and maximum guaranteed AUTO-X sizes.

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

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

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

No written comments were either solicited or received.

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

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 Phlx 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 proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No.

SR-Phlx-2002-39 and should be submitted by September 5, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-20682 Filed 8-14-02; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46325; File No. SR-Phlx-2002-15]

### Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change, and Amendment Nos. 1, 2, 3, 4, and 5 Thereto by the Philadelphia Stock Exchange, Inc. To Redefine the Exchange's Disseminated Size for Options Quotations

August 8, 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 March 5, 2002, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. On April 15, 2002, the Phlx submitted Amendment No. 1 to the proposed rule change.<sup>3</sup> On June 12, 2002, the Phlx submitted Amendment No. 2 to the

proposed rule change.<sup>4</sup> On June 17, 2002, the Phlx submitted Amendment No. 3 to the proposed rule change.<sup>5</sup> On July 31, 2002, the Phlx submitted Amendment No. 4 to the proposed rule change.<sup>6</sup> On August 5, 2002, the Phlx submitted Amendment No. 5 to the proposed rule change.<sup>7</sup> The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. For the reasons discussed below, the Commission is

<sup>4</sup> See letter and accompanying Form 19b-4 from Richard S. Rudolph, Director and Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division, Commission, dated June 11, 2002 ("Amendment No. 2"). In Amendment No. 2, the Phlx amended the rule text to reflect that, once the Exchange's new Auto-Quote system is deployed, the Exchange's disseminated size would be equal to the sum of limit orders at the Exchange's disseminated price, or, if there are no limit orders at the Exchange's disseminated price, the AUTO-X guarantee for the particular option, but such size may be increased to reflect the specialist's and trading crowd's sizes. The Exchange represented that during the time that the new Auto-Quote system is deployed, some options series will continue to reflect the current disseminated size of either the AUTO-X guarantee for that option or, respecting limit orders on the book at the Exchange's disseminated price, a size of 10 contracts. Amendment No. 2 also included a proposal to increase the minimum AUTOM order delivery size for broker-dealer orders from one contract to ten contracts. Finally, the Phlx represented that the proposed rule change would not change the functionality of AUTO-X.

<sup>5</sup> See letter from Richard S. Rudolph, Director and Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division, Commission, dated June 14, 2002 ("Amendment No. 3"). In Amendment No. 3, the Phlx: (1) deleted the word "customer" from the relevant amended portion of Advice F-7(a); (2) deleted the phrase "the AUTO-X guarantee for the particular option, but may be for a greater size, reflecting" from Advice F-7(b)(2); (3) clarified that in the another order cited in the proposed rule change the Commission approved the delivery of off-floor broker-dealer orders via AUTOM, and the availability of automatic execution for certain off-floor broker-dealer orders via AUTO-X, on a six-month pilot basis; (4) clarified that the Exchange's disseminated size would be at least the sum of limit orders, and the specialist and crowd would be able to determine to disseminate a size greater than the sum of limit orders, and made conforming changes to the rule text; and (5) represented that, with respect to booked limit orders at the Exchange's best/bid offer, the new Auto-Quote system will decrement the disseminated size automatically, and that the specialist would be responsible to manually decrement the size of limit orders represented in the crowd at the Exchange's best/bid offer.

<sup>6</sup> See letter from Richard S. Rudolph, Director and Counsel, Phlx, to Kelly Riley, Senior Special Counsel, Division, Commission, dated July 29, 2002 ("Amendment No. 4"). In Amendment No. 4, the Phlx: (1) Amended Phlx Rule 1082(a)(ii)(A) and Advice F-7(a) to reflect that the current Auto-Quote technology would be scheduled to be phased-out by September 2002; and (2) deleted its previous proposal to amend Commentary .05 to Phlx 1080 regarding the minimum size of off-floor broker-dealer orders delivered via AUTOM.

<sup>7</sup> See letter from Richard S. Rudolph, Director and Counsel, Phlx, to Kelly Riley, Senior Special Counsel, Division, Commission, dated August 2, 2002 ("Amendment No. 5"). In Amendment No. 5, the Phlx made technical amendments to the text of the proposal in response to comments received from Commission staff.

<sup>14</sup> 17 CFR 200.30-3(a)(12).

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

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

<sup>3</sup> See letter from Richard S. Rudolph, Director and Counsel, Phlx, to Nancy J. Sanow, Assistant Director, Division of Market Regulation ("Division"), Commission, dated April 12, 2002 ("Amendment No. 1"). In Amendment No. 1, the Phlx: (1) Amended Phlx Rule 1082, Firm Quotations, and Option Floor Procedure Advice ("Advice") F-7, Bids and Offers, to specify that the term "disseminated size" means either (a) the AUTO-X guarantee for the quoted option, except that the disseminated size of bids and offers on the book shall be ten contracts, or (b) the sum of certain limit orders on the limit order book, subject to specific qualifying sizes for inclusion in the Exchange's disseminated size; (2) made a technical clarification concerning a previously filed Phlx proposal to disseminate options quotations with size; (3) added a paragraph specifying that specialists may supply their own bids and offers, including the size of such bids and offers, through proprietary systems called Specialized Quote Feeds ("SQFs"), and explained that the disseminated size of any such bid or offer shall be firm; and (4) explained that during the roll out period of the new quotes with size system, the Exchange will have two systems operating, the new Auto-Quote system and the current Auto-Quote system. Once the new Auto-Quote system roll out is complete, the Phlx committed to deleting references to the current Auto-Quote system.

granting accelerated approval of the proposed rule change, as amended.

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

The Phlx proposes to amend its Rule 1082, Firm Quotations, and Advice F-7, Bids and Offers, to re-define the Exchange's disseminated size of option quotations.

Currently, the term "disseminated size" is defined in Phlx Rule 1082 and Advice F-7 to mean the AUTO-X guarantee for the quoted option, except that the disseminated size of limit orders on the book is ten contracts, regardless of the actual size of such a limit order. The proposal provides that, during the deployment of the technology necessary for the new disseminated size program, the size of some quotations in options series on the Exchange will continue to be disseminated with the current disseminated size definition, and the size of some options quotations will be disseminated with the newly defined disseminated size. The options that will have the size of their quotations determined using the current Phlx definition will continue to use the Auto-Quote technology that was operating on the Exchange as of May 2002 ("current Auto-Quote"). The Phlx anticipates that the current Auto-Quote technology will be phased-out by September 2002.

Under the proposal, respecting options subject to the Auto-Quote technology implemented after the effective date of this provision ("new Auto-Quote"), the new "disseminated size" would be at least the sum of limit orders; however, the proposal would permit the specialist and crowd to disseminate a size greater than the sum of the limit orders.

The text of the proposed rule change, as amended, appears below. New text is in italics; deletions are in brackets.

\* \* \* \* \*

#### Firm Quotations

##### Rule 1082(a) Definitions

(i) The term "disseminated price" shall mean the bid (or offer) price for an options series that is made available by the Exchange and displayed by a quotation vendor on a terminal or other display device.

(ii) The term "disseminated size" shall mean, with respect to the disseminated price for any quoted options series[.];

*(A) Respecting options subject to the Auto-Quote technology operating as of May, 2002 ("current Auto-Quote") and scheduled to be phased-out by*

*September 2002: the AUTO-X guarantee for the quoted option, except that the disseminated size of [bids and offers of] limit orders on the book shall be ten (10) contracts[.]; or*

*(B) Respecting options subject to the Auto-Quote technology implemented after the effective date of this provision ("new Auto-Quote") and options subject to a proprietary quoting system provided for in Rule 1080.02 ("Specialized Quote Feed"), at least the sum of limit orders. The specialist and crowd may determine to disseminate a size greater than the sum of limit orders.*

(iii)-(iv) No change.

(b)-(e) No change.

##### F-7 Bids and Offers

All bid and offer prices shall be general ones and shall not be specified for acceptance by particular members.

In the absence of a stated size to any bid or offer voiced or displayed on the Options Floor, the person responsible for such bid and offer is deemed to be quoting for one contract, except in those instances where predetermined volume guarantees are provided for the facilitation of specific account types. Floor traders may, however, be required to trade more than one contract in connection with provisions under Advice A-11.

The size of any disseminated bid or offer by the Exchange shall be, with respect to the disseminated price for any quoted options series, equal to:

*(a) Respecting options subject to the Auto-Quote technology operating as of May, 2002 ("current Auto-Quote") and scheduled to be phased-out by September 2002: the AUTO-X guarantee for the quoted option and shall be firm, except that the disseminated size of [bids and offers of] limit orders on the book shall be ten (10) contracts and shall be firm, regardless of the actual size of such orders[.]; or*

*(b) respecting options subject to the Auto-Quote technology implemented after the effective date of this provision ("new Auto-Quote") and options subject to a proprietary quoting system provided for in Rule 1080.02 ("Specialized Quote Feed") at least the sum of limit orders. The specialist and crowd may determine to disseminate a size greater than the sum of limit orders.*

\* \* \* \* \*

### 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 Phlx 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 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

The purpose of the proposed rule change is to add a new definition of "disseminated size" with respect to options subject to the new Auto-Quote technology and options subject to an SQF. For these options, the Phlx proposes to define "disseminated size" as, with respect to the disseminated price, at least the sum of the size(s) of limit orders. The proposal would also allow the specialist and crowd to determine to disseminate a size greater than the sum of the limit orders. Under this proposal, if there are no limit orders at the disseminated price, the specialist has the ability to establish a specific size for each series quoted by the new Auto-Quote or SQF.<sup>8</sup>

This differs from the current Exchange disseminated quote size definition, which is the AUTO-X guarantee for quotes generated by the current Auto-Quote or SQF, or ten contracts for quotes that represent booked limit orders, regardless of the actual size of such booked limit orders. The Phlx proposes to continue to use the current "disseminated size" definition for options that are subject to the current Auto-Quote technology.

The Exchange has represented that a quote disseminated by the Exchange's new Auto-Quote (or by SQF) is deemed to be the quote of the specialist and all Registered Options Traders ("ROTs") in the crowd unless the ROT has vocalized a different quote in a clear and audible manner with sufficient time for the specialist to take action to update the quote, if necessary.<sup>9</sup> Thus, a specialist disseminating a quote through the new Auto-Quote or SQF could not cause an ROT to be firm for a size greater than a size for which such ROT is willing to be firm. In situations in which the Auto-

<sup>8</sup> Phlx Rule 1080, Commentary .01(b), provides that the specialist may provide its own quotations, based on its own quote calculation technology, by separately establishing a specialized connection (an SQF) bypassing the Exchange's Auto-Quote system. The SQF user provides such quotes in lieu of the Exchange's Auto-Quote system.

<sup>9</sup> See Securities Exchange Act Release No. 44543 (July 12, 2001), 66 FR 37511 (July 18, 2001) (SR-Phlx-2001-26).

Quote or SQF size is greater than the trading interest in the crowd, the specialist would be responsible to fill any orders in excess of such crowd trading interest.

As proposed, for options using the new Auto-Quote technology or SQF, the disseminated size of booked limit orders at the disseminated price would be automatically decremented as executions of inbound orders or cancellations of limit orders at the disseminated price occur.<sup>10</sup> As inbound orders are executed, customer limit orders at the disseminated price would be executed first, in the order in which they were received pursuant to existing Exchange rules. The Exchange's disseminated size would be decremented by the size of the inbound order to be filled. After customer orders at the best bid or offer have been executed, if booked broker-dealer limit orders remain to be executed at the disseminated price, such orders would be executed and decremented in the order in which they were received. The Exchange represents that the specialist would be responsible to manually decrement limit orders represented in the crowd at the disseminated price.<sup>11</sup>

When there are no limit orders at the Exchange's disseminated price, the Exchange proposes that its disseminated size would be the specialist and crowd quotation size established via the new Auto-Quote or SQF. In such a situation, the quotation size would not be decremented automatically. The specialist would, however, have the ability to provide a size for which he and the crowd is firm (unless, as set forth above, a particular crowd participant has vocalized a different quote) each time such specialist revises the quote.

The Phlx represents that it is not proposing to change the functionality of AUTO-X in the instant proposal. The Exchange's disseminated size for options subject to the new Auto-Quote or SQF may differ from the AUTO-X guarantee for the quoted option. Regardless of the disseminated size, the AUTO-X guarantee for a specific option would remain the same. For example, when the Exchange disseminates a quote with a size of 200 contracts, and the AUTO-X guarantee for that option is 100 contracts, and an inbound market or marketable limit order for 200 contracts is received, 100 contracts would be executed automatically via AUTO-X, and 100 contracts would be due for manual execution at the disseminated price by the specialist

under the Exchange's rules regarding firm quotations.<sup>12</sup>

Further, the Phlx represents that the proposal would not change the method of allocation of contracts in the crowd. Trades executed manually would continue to be allocated in accordance with Exchange rules. Trades executed automatically via AUTO-X would be allocated by the "Wheel" in accordance with Advice F-24, as such trades are allocated today.

Once the Exchange begins to deploy the new Auto-Quote, it will be rolled out over a period of approximately four to six weeks. The instant proposal includes clarifying amendments that reflect the timing of the rollout period. Specifically, the amended proposal would provide that for options that remain subject to the current Auto-Quote technology, the Exchange's disseminated size would continue to be equal to the AUTO-X guarantee for the quoted option or ten contracts if the disseminated quote represents limit orders on the book. The Exchange's disseminated size for options that are subject to the new Auto-Quote technology and options that are subject to an SQF provided for in Phlx Rule 1080.02 would be at least the sum of limit orders at the disseminated price. The specialist and crowd may determine to disseminate a size greater than the sum of the limit orders. If there are no limit orders on the book, the Exchange's disseminated size would be the specialist and crowd's size at the disseminated price. Upon completion of the rollout period, the Exchange represents that it will revisit the rule to delete all references to the current Auto-Quote.

## 2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act,<sup>13</sup> in general, and furthers the objectives of Section 6(b)(5) of the Act,<sup>14</sup> in particular, in that it is designed to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest, and to promote just and equitable principles of trade, by expanding and further defining the Exchange's disseminated size in its rules.

<sup>12</sup> See Phlx Rule 1082, Firm Quotations, and Advice F-7, Bids and Offers.

<sup>13</sup> 15 U.S.C. 78f(b).

<sup>14</sup> 15 U.S.C. 78f(b)(5).

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

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

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

No written comments were solicited or received with respect to the proposed rule change.

## III. 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-Phlx-2002-15 and should be submitted by September 5, 2002.

## IV. Commission Findings and Order Granting Accelerated Approval of Proposed Rule Change

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.<sup>15</sup> In particular, the Commission believes the proposed rule change is consistent with the section 6(b)(5) of the Act<sup>16</sup> requirement that the rules of an exchange be designed to facilitate transactions in securities, promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and a national market

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

<sup>16</sup> 15 U.S.C. 78f(b)(5).

<sup>10</sup> See Amendment No. 3.

<sup>11</sup> *Id.*

system, and, in general, to protect investors and the public interest.

The Commission notes that the proposal, which would establish two methods by which disseminated size is calculated for options traded on the Phlx, is consistent with Rule 11Ac1-1(d) under the Act.<sup>17</sup> The Phlx proposes to maintain its current disseminated size definition for options that are subject to the current Auto-Quote technology and to establish a new disseminated size definition for options that are subject to the new Auto-Quote technology or an SQF. Specifically, for options that utilize the new Auto-Quote technology or which are subject to an SQF, the disseminated size would be at least the sum of the limit orders, unless the specialist and crowd determine to increase such size. The Commission believes that the Exchange's proposal to begin to disseminate the actual size of the limit orders when such orders represent the Exchange's disseminated price should increase transparency by providing more accurate quotation information, which is consistent with Section 11A of the Act.<sup>18</sup>

The Commission believes that the proposal is a positive step toward deployment of the Exchange's new quotes with size system that will disseminate quotations with actual size in all options traded on the Phlx in the future.<sup>19</sup> The Commission believes that disseminating the actual size of quotations should enhance the quality of Phlx's quotation information that is disseminated to the public by more accurately reflecting trading interest on the Phlx.

The Commission finds good cause, consistent with Section 19(b)(2) of the Act,<sup>20</sup> to approve the proposed rule change prior to the thirtieth day after the date of publication of the notice of filing thereof in the **Federal Register**. The Commission notes that the Phlx has represented that it is technologically capable of implementing the proposal immediately upon approval from the Commission.<sup>21</sup> The Commission believes that accelerated approval of

this proposal should permit the Phlx to promptly implement the proposed changes, which should enhance Phlx's quotation information. Accordingly, the Commission finds that there is good cause, consistent with Section 19(b)(2) of the Act,<sup>22</sup> to approve the proposal on an accelerated basis.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>23</sup> that the proposed rule change (SR-Phlx-2002-15) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>24</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-20767 Filed 8-14-02; 8:45 am]

**BILLING CODE 8010-01-P**

---

## SMALL BUSINESS ADMINISTRATION

### [Declaration of Disaster #3424, Amdt. 2]

#### State of Colorado

In accordance with a notices received from the Federal Emergency Management Agency, dated August 1 and August 6, 2002, the above numbered declaration is hereby amended to establish the incident period for this disaster as beginning on April 23, 2002 and continuing through August 6, 2002. This declaration is also amended to extend the deadline for filing applications for physical damages as a result of this disaster to September 9, 2002.

All other information remains the same, i.e., the deadline for filing applications for economic injury is March 19, 2003.

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

Dated: August 8, 2002.

**S. George Camp,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 02-20716 Filed 8-14-02; 8:45 am]

**BILLING CODE 8025-01-P**

## DEPARTMENT OF STATE

### [Public Notice 4097]

#### Office of Counterterrorism; Determination Pursuant to Section 1(b) of Executive Order 13224 Relating to New People's Army/Communist Party of the Philippines and Jose Maria Sison

Acting under the authority of section 1(b) of Executive Order 13224 of September 23, 2001, and in consultation with the Secretary of the Treasury and the Attorney General, the Secretary of State hereby determines that the New People's Army/Communist Party of the Philippines and Jose Maria Sison have committed, or pose a significant risk of committing, acts of terrorism that threaten the security of U.S. nationals or the national security, foreign policy, or economy of the United States.

Consistent with the determination in section 10 of Executive Order 13224 that prior notice to persons determined to be subject to the Order who might have a constitutional presence in the United States would render ineffectual the blocking and other measures authorized in the Order because of the ability to transfer funds instantaneously, the Secretary of State determines that no prior notice need be provided to any person subject to this determination who might have a constitutional presence in the United States because to do so would render ineffectual the measures authorized in the Order.

This notice shall be published in the **Federal Register**.

**Timothy Egert,**

*Federal Register Liaison, Department of State.*

[FR Doc. 02-20774 Filed 8-14-02; 8:45 am]

**BILLING CODE 4710-10-P**

---

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

#### Trade Benefits for Andean Countries: Notice of Request for Public Comment Regarding the Designation of Eligible Countries as Andean Trade Promotion and Drug Eradication Act (ATPDEA) Beneficiary Countries

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice; request for comments.

**SUMMARY:** The Trade Policy Staff Committee (TPSC) is requesting the views of interested parties on whether countries named in the Andean Trade Preference Act (ATPA) (19 U.S.C. 3201), as amended by the Andean Trade Promotion and Drug Eradication Act

<sup>17</sup> 17 CFR 240.11Ac1-1(d).

<sup>18</sup> 15 U.S.C. 78k-1. The Commission notes that in Section 11A(a)(1)(C)(iii) of the Act, Congress found that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure the availability of information with respect to quotations for securities. 15 U.S.C. 78k-1(a)(1)(C)(iii).

<sup>19</sup> Telephone conversation between Richard S. Rudolph, Director and Counsel, Phlx, and Frank N. Genco, Attorney, Division, Commission, on July 2, 2002.

<sup>20</sup> 15 U.S.C. 78s(b)(2).

<sup>21</sup> Telephone conversation between Richard S. Rudolph, Director and Counsel, Phlx, and Frank N. Genco, Attorney, Division, Commission, on July 2, 2002.

<sup>22</sup> 15 U.S.C. 78s(b)(2).

<sup>23</sup> *Id.*

<sup>24</sup> 17 CFR 200.30-3(a)(12).