

rule 19b-4(f)(6)(iii).<sup>13</sup> The Commission believes waiving the 30-day operative delay is consistent with the protection of investors and the public interest. Acceleration of the operative date will permit operation of the interim options linkage to continue uninterrupted.<sup>14</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, 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 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 Amex. All submissions should refer to File Number SR-Amex-2003-02 and should be submitted by April 3, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>15</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47446; File No. SR-Amex-2002-105]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the American Stock Exchange LLC To Amend Amex Rule 17 to Provide for "Cash" In Addition to "Next Day" Settlement of Transactions in Rights and Warrants During the Trading Days Prior to Expiration

March 5, 2003.

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 December 12, 2002, the American Stock Exchange LLC ("Amex" 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 Exchange. The Amex filed an amendment to the proposed rule change on January 23, 2003.<sup>3</sup> The Commission is publishing this notice to solicit comments on the proposed rule change and Amendment No. 1 from interested persons.

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

The Amex proposes to amend Amex rule 17 to provide for "cash" in addition to "next day" settlement of transactions in rights and warrants during the trading days prior to expiration. The text of the proposed rule change is below. Text in brackets indicates material to be deleted, and text in italics indicates material to be added.

\* \* \* \* \*

#### Transactions in Rights and Warrants

Rule 17. (a) Unless otherwise directed by the Exchange, dealings on the Exchange in an issue of rights or warrants shall cease in accordance with the following procedure:

(1) Dealings in an issue of rights shall cease at the close of business on the

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

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

<sup>3</sup> See letter from William Floyd-Jones, Jr., Assistant General Counsel, Amex, to Nancy J. Sanow, Assistant Director, Division of Market Regulation, Commission, dated January 21, 2003, replacing Form 19b-4 in its entirety ("Amendment No. 1"). In Amendment No. 1, the Amex made corrections to rule text in Amex rule 17(b) to allow for "cash" settlement as well as "next day" settlement for all transactions in an issue of rights during the three business days preceding the final day for dealings on the Exchange and made corresponding changes and corrections to its discussion in the rule filing.

business day preceding the expiration date thereof, if such rights are exercisable in the New York City metropolitan area, and at such time in advance of the expiration date as may be announced by the Exchange, if such rights are exercisable outside such area; and

(2) Dealings in an issue of warrants shall cease, in the case of book-entry warrants, at the close of business on their expiration date, and for all other warrants at the close of business on the last business date preceding their expiration date.

(b) During the three business days preceding the final day for dealings therein on the Exchange, all transactions in an issue of rights shall be made only "next day[.]" or for "cash". On the final day for dealings therein on the Exchange, all transactions in an issue of rights shall be made only for "cash."

(c) During the three final business days for trading in an issue of warrants, dealings on the Exchange shall be made only for "cash." During the three preceding business days dealings on the Exchange shall be made only "next day[.]" or for "cash".

\* \* \* Commentary

See rule 179 for treatment of orders on a specialist's book during the final days for dealings in rights or warrants.

\* \* \* \* \*

#### 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, 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 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

Amex rule 17(b) currently provides that transactions in rights during the three trading days preceding the last trading session must be settled on a "next day" basis. Amex rule 17(c) currently provides that transactions in warrants during the three trading days preceding the last three trading sessions (*i.e.*, the fourth, fifth and sixth trading sessions prior to expiration) must only

<sup>13</sup> 17 CFR 240.19b-4(f)(6)(iii).

<sup>14</sup> For purposes of accelerating the implementation of the proposed rule change only, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>15</sup> 17 CFR 200.30-3(a)(12).

be effected on a "next day" basis. The Exchange believes that there is no reason why trades should not be settled for "cash" at any time during the final six days prior to expiration, and is proposing to amend Amex rule 17 to allow "cash" settlement during all of the final six days of trading in any right or warrant on the Exchange.

## 2. Statutory Basis

The Exchange believes that the proposed rule change, as amended, is consistent with section 6(b) of the Act<sup>4</sup> in general, and furthers the objectives of section 6(b)(5) of the Act<sup>5</sup> in particular, 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 regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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.

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

The Exchange believes that the proposed rule change, as amended, will impose no 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

No written comments were solicited or received in response 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, 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, as amended, that are filed with the Commission, and all written communications relating to the proposed rule change, as amended, 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 Amex. All submissions should refer to file number SR-Amex-2002-105 and should be submitted by April 3, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47455; File No. SR-Amex-2003-15]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC To Extend the Suspension of Transaction Charges for Certain Exchange-Traded Funds

March 6, 2003.

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 4, 2003, the American Stock Exchange LLC ("Amex") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the Exchange. The Commission is publishing this notice to solicit comments on the proposed rule change.

<sup>6</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.

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

The Amex proposes to extend until March 31, 2003 the suspension of Exchange transaction charges for specialist, Registered Trader and broker-dealer orders for the iShares Lehman 1-3 year Treasury Bond Fund; iShares Lehman 7-10 year Treasury Bond Fund; Treasury 10 FITR ETF; Treasury 5 FITR ETF; Treasury 2 FITR ETF; and Treasury 1 FITR ETF. In addition, the Exchange proposes to suspend until March 31, 2003 customer transaction charges for the iShares S&P 100 Index Fund. Proposed new language is *italicized*; proposed deletions are in [brackets].

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### AMEX EQUITY FEE SCHEDULE

1. Transaction Charges  
No change.
- II. Regulatory Fee  
No Change.  
Notes:
  1. and 2. No change.
  3. Customer transaction charges for the following Portfolio Depository Receipts, Index Fund Shares, and Trust Issued Receipts have been suspended:
    - DIA—DIAMONDS®
    - QQQ—Nasdaq-100® Index Tracking Stock
    - SPY—SPDRs®
    - IVV—iShares S&P 500
    - MDY—MidCap SPDRs
    - XLY—Select Sector SPDR—Consumer Discretionary
    - XLP—Select Sector SPDR—Consumer Staples
    - XLE—Select Sector SPDR—Energy
    - XLF—Select Sector SPDR—Financial
    - XLV—Select Sector SPDR—Health Care
    - XLI—Select Sector SPDR—Industrial
    - XLB—Select Sector SPDR—Materials
    - XLK—Select Sector SPDR—Technology
    - XLU—Select Sector SPDR—Utilities
    - BHH—B2B Internet HOLDRs™
    - BBH—Biotech HOLDRs
    - BDH—Broadband HOLDRs
    - EKH—Europe 2001 HOLDRs
    - IAH—Internet Architecture HOLDRs
    - HHH—Internet HOLDRs
    - IIH—Internet Infrastructure HOLDRs
    - MKH—Market 2000+ HOLDRs
    - OIH—Oil Service HOLDRs
    - PPH—Pharmaceutical HOLDRs
    - RKH—Regional Bank HOLDRs
    - RTH—Retail HOLDRs
    - SMH—Semiconductor HOLDRs
    - SWH—Software HOLDRs
    - TTH—Telecom HOLDRs
    - UTH—Utilities HOLDRs
    - WMH—Wireless HOLDRs
    - SHY—iShares Lehman 1-3 Year Treasury Bond Fund
    - IEF—iShares Lehman 7-10 Year Treasury Bond Fund

<sup>4</sup> 15 U.S.C. 78f(b).

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