

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46915; File No. SR-DTC-2002-13]

Self-Regulatory Organizations; the Depository Trust Company; Notice of Filing of Proposed Rule Change To Establish the Prospectus Repository System

November 26, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on September 11, 2002, The Depository Trust Company ("DTC") 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 primarily by the DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

The purpose of the proposed rule change is to establish the Prospectus Repository System that will make prospectuses and official statements relating to new issues of corporate and municipal securities available electronically to interested DTC participants and DTC-authorized third parties.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, DTC 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 DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In response to industry demand, DTC has recently developed a new service for participants that would make prospectuses and official statements relating to new issues of corporate and municipal securities ("Offering Documents") available in electronic format. The new service, the Prospectus Repository System ("PRS") will enable participants and DTC-authorized third parties (collectively referred to as "users") to view Offering Documents from a DTC-maintained website.³

As a new service related to DTC's underwriting services, PRS would function as a multi-purpose library where users can view, download, and print Offering Documents for those issues made eligible by DTC. Underwriters will be responsible for providing DTC with Offering Documents for both corporate and municipal securities. Access to the Offering Documents posted on the website will be controlled by password protection, where users will be able to view preliminary and final Offering Documents. By posting Offering Documents in PRS, DTC intends to make access to Offering Documents easier and more efficient. PRS features will include on-line search capabilities of preliminary and final Offering Documents, retrieval by ticker symbol, CUSIP, or issuer, and downloadable or printable files.

All users accessing Offering Document information in PRS will be required to affirm that they have read DTC's disclaimer prior to viewing the information.⁴ The disclaimer states that Offering Documents posted on the PRS website are for informational purposes only and do not constitute bids, offers, or solicitations for securities. Further, DTC indicates that by virtue of offering the PRS service DTC is not participating in a particular offering as an underwriter, dealer, investment advisor, or otherwise and is not providing any form of investment advice or recommendation as to a particular security, issuer, or offering. In general,

³ PRS authorized third-party users will include syndicate members, correspondent banks, paying agents, transfer agents, and certain legal counsel and financial advisors associated with the underwriting. Individual investors will not have access to Offering Documents via the website.

⁴ A copy of DTC's PPS disclaimer is attached as exhibit B to DTC's filing and is available at the Commission's Public Reference office or through DTC.

DTC will also disclaim responsibility for the following:

- Satisfying Offering Document delivery requirements under federal securities laws or under Municipal Securities Rulemaking Board rules;
- Informing users of PRS of restrictions or limitations on securities or participation in an offering;
- The form or content of any Offering Document posted on the PRS website;
- The accuracy or DTC's verification of information submitted to DTC;
- The responsibility to update any Offering Document posted on the website;
- Posting a final Offering Document if it posts a preliminary Document;
- Posting any supplements to a final Offering Document;
- Keeping an Offering Document posted for any amount of time.

DTC believes that the proposed rule filing is consistent with section 17A of the Act because it provides a service that will benefit DTC participants as well as the industry as a whole. PRS will reduce operating costs to underwriters, make Offering Documents readily available to syndicate members, and expand DTC's underwriting services to participants.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the proposed rule change will have an impact on or impose a burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

Written comments relating to the proposed rule change have not been solicited or received. DTC will notify the Commission of any written comments it receives.

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.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by the DTC.

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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the DTC. All submissions should refer to File No. SR-DTC-2002-13 and should be submitted by December 21, 2002.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46917; File No. SR-NASD-2002-151]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc. to Modify SuperMontage Transaction Execution Fees and Credits

November 26, 2002.

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 23, 2002, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, The Nasdaq Stock Market, Inc. ("Nasdaq"), 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 Nasdaq. Nasdaq has designated this proposal as one establishing or changing a due, fee or other charge imposed by the self-regulatory organization under section 19(b)(3)(A)(ii) of the Act³ and rule 19b-4(f)(2) thereunder,⁴ which renders the rule effective upon Commission receipt of this filing. 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 the Substance of the Proposed Rule Change

Nasdaq proposes to modify order execution charges and liquidity provider credits applicable to Non-Directed, Preferred, and Directed Orders in Nasdaq's SuperMontage system. Nasdaq will implement the rule change on November 1, 2002. Because the transition from the current SuperSOES, SOES, and SelectNet environment to SuperMontage is occurring over the course of several weeks, with stocks moving from one system to the other in stages, Nasdaq will continue to charge its filed prices for SuperSOES, SOES, SelectNet, and quotation updates for stocks that have not transitioned, while charging the SuperMontage prices established through SR-NASD-2002-44,⁵ SR-NASD-2002-91,⁶ SR-NASD-2002-135,⁷ and SR-NASD-2002-151 for stocks that have transitioned.

The text of the proposed rule change is below. Proposed new language is in italics; proposed deletions are in [brackets].

Rule 7010. System Services

* * * * *

- (a)-(h) No change.
- (i) Nasdaq National Market Execution System (SuperMontage).
The following charges shall apply to the use of the Nasdaq National Market Execution System (commonly known as SuperMontage) by members:

Order Entry

Non-Directed Orders (excluding Preferred Orders)	No charge
Preferred Orders:	
Preferred Orders that access a Quote/Order of the member that entered the Preferred Order).	No charge
Other Preferred Orders	\$0.02 per order entry
Directed Orders	\$0.10 per order entry

Order Execution

Non-Directed or Preferred Order that accesses the Quote/Order of a market participant that does not charge an access fee to market participants accessing its Quotes/Orders through the NNMS:	
Charge to member entering order	[\$0.002] <i>\$0.003</i> per share executed (but no more than \$75 per trade for trades in securities executed at \$1.00 or less per share)
Credit to member providing liquidity	[\$0.001] <i>\$0.002</i> per share executed (but no more than [\$37.50] <i>\$50</i> per trade for trades in securities executed at \$1.00 or less per share)
Non-Directed or Preferred Order that accesses the Quote/Order of a market participant that charges an access fee to market participants accessing its Quotes/Orders through the NNMS.	\$0.001 per share executed (but no more than [\$37.50] <i>\$25</i> per trade for trades in securities executed at \$1.00 or less per share)
Directed Order	[\$0.0025] <i>\$0.003</i> per share executed
Non-Directed or Preferred Order entered by a member that accesses a Quote/Order of such member.	No charge

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(3)(A)(ii).

⁴ 17 CFR 240.19b-4(f)(2).

⁵ Securities Exchange Act Release No. 45906 (May 10, 2002), 67 FR 34965 (May 16, 2002) (SR-NASD-

2002-44). SR-NASD-2002-44 established a fee scheduled for members' use of SuperMontage.

⁶ Securities Exchange Act Release No. 46343 (August 13, 2002), 67 FR 53822 (August 19, 2002) (SR-NASD-2002-91). SR-NASD-2002-91 provides that the fees for the use of SuperMontage by a national securities exchange trading Nasdaq securities on an unlisted trading privileges basis (a

"UTP Exchange") may be established by means of an agreement between Nasdaq and the UTP Exchange.

⁷ Securities Exchange Act Release No. 46648 (October 11, 2002), 67 FR 64439 (October 18, 2002) (SR-NASD-2002-135). SR-NASD-2002-135 established maximum execution fees and credits for transactions in low-priced securities.