

deposit towards the participation fee. The Commission believes that these requirements are reasonably tailored to ensure that only serious applicants are given access to sensitive Linkage information before becoming a full participant.

Amendment No. 5 also proposes to limit the duration of interim access to one year. The Commission believes that this time frame is reasonable, and anticipates that one year will be sufficient for most applicants to be prepared to join the Linkage as full participants. The Commission notes that in the event that an applicant has not joined the Linkage after one year, Amendment No. 5 provides that it can request an additional period of access, and the Linkage participants will not unreasonably deny such a request.

In sum, the Commission believes that implementation of Amendment No. 5 will generally enhance competition by providing a potential new options market with earlier access to Linkage-related material and thus, facilitate its ability to prepare to join the Linkage.

IV. Conclusion

It is therefore ordered, pursuant to section 11A of the Act⁸ and rule 11Aa3-2 thereunder,⁹ that the proposed Linkage Plan amendment is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 03-2481 Filed 1-31-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

Sedona Software Solutions Inc.; Order of Suspension of Trading

January 29, 2003.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of Sedona Software Solutions Inc. ("Sedona"), trading under the stock symbol SSSI. Questions have been raised regarding the accuracy and completeness of information about Sedona on Internet websites, in press releases, and in other sources publicly available to investors concerning, among other things, Sedona's planned merger with Renaissance Mining Corp.

("Renaissance"), a privately-held company; the assets and business operations of Renaissance; and trading in Sedona common stock in connection with the announced merger.

The Commission is of the opinion that the public interest and the protection of investors require a suspension of trading in the securities of the above listed company.

Therefore, it is ordered, pursuant to section 12(k) of the Securities Exchange Act of 1934, that trading in the above listed company is suspended for the period from 3 p.m. EST, January 29, 2003, through 11:59 p.m. EST, on February 11, 2003.

By the Commission.

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 03-2479 Filed 1-30-03; 10:43 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47267; File No. SR-Amex-2002-113]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the American Stock Exchange LLC Regarding Listing Standards for Closed-End Management Investment Companies Registered Under the Investment Company Act of 1940

January 28, 2003.

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 December 23, 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 Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval to the proposed rule change.

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

The Exchange is proposing to make permanent its pilot regarding specific initial and continued listing standards applicable to closed-end management investment companies registered under

the Investment Company Act of 1940 ("closed-end funds").³ The Amex is also proposing to renumber section 101(e) of the *Amex Company Guide* to section 101(f).⁴

The text of the proposed rule change is available at the Office of the Secretary, Amex, and at the Commission.

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 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 Exchange proposes to permanently amend sections 101 and 1003 of the *Amex Company Guide* to incorporate initial and continued listing standards specifically applicable to closed-end funds into the *Amex Company Guide*. The proposed listing standards were approved by the Commission on a five-month pilot basis on November 7, 2002.⁵ Under the pilot, Amex permits the initial listing of a closed-end fund with a market value of publicly held shares or net assets of at least \$20,000,000, which also satisfies the distribution criteria specified in

³ The five-month pilot was approved by the Commission on November 7, 2002. See Securities and Exchange Act Release No. 46785, 67 FR 69578 (November 18, 2002) (approving File No. SR-Amex-2002-55).

⁴ The Amex is renumbering the rule text to accommodate a proposed rule change submitted by the Amex on November 20, 2002. See Securities Exchange Act Release No. 47119 (January 3, 2003), 68 FR 1494 (January 10, 2003) (approving File No. SR-Amex-2002-97). Telephone conversation between Claudia Crowley, Assistant General Counsel, Amex, and Terri Evans, Assistant Director, Division of Market Regulation ("Division"), Commission, on January 27, 2003.

⁵ See Securities and Exchange Act Release No. 46785 (November 7, 2002), 67 FR 69578 (November 18, 2002) (approving File No. SR-Amex-2002-55). Previously, closed-end funds were evaluated for listing pursuant to the general listing standards contained in section 101 of the *Amex Company Guide*, as well as specialized internal procedures applicable to closed-end funds.

⁸ 15 U.S.C. 78k-1.

⁹ 17 CFR 240.11Aa3-2.

¹⁰ 17 CFR 200.30-3(a)(29).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

section 102(a) of the *Amex Company Guide*.⁶

In addition, pursuant to the pilot, the Exchange permits the listing of a group of closed-end funds listed by a single "fund family" (*i.e.*, funds which have a common investment advisor or investment advisors who are "affiliated persons" as defined in section 2(a)(3) of the Investment Company Act of 1940, as amended),⁷ subject to the following standards:

- The total group has a market value of publicly held shares or net assets of at least \$75,000,000;
- The average market value of publicly held shares or net assets per fund of the group is at least \$15,000,000; and
- No fund in the group has a market value of publicly held shares or net assets of less than \$10,000,000.

The group standards would be applicable to any closed-end fund that is part of a "fund family" even if the closed-end fund is not listed concurrently with other funds in the family, as long as at the time of listing, the individual fund, the entire "fund family" is in compliance with the group standards. Therefore, all funds listed on the Amex which are part of the "fund family" will be evaluated in determining whether a fund applicant is eligible for listing. Each fund will also be individually subject to the distribution criteria specified in section 102(a) of the *Amex Company Guide*.⁸ The Exchange will not have discretion to list a closed-end fund that does not satisfy the quantitative criteria set forth in section 101(e) of the *Amex Company Guide*, but will have discretion to exclude a closed-end fund that otherwise satisfies the criteria.

The Exchange represents that the "fund family" standards will enable the Exchange to accommodate the needs of fund sponsors, which often prefer to offer, issue, and list funds in groups. The Exchange believes that when a fund is part of a larger family, compliance with a \$20,000,000 market value of publicly held shares or net asset requirement is not necessary for the fund to be suitable for listing, since the size of the fund family indicates that there is sufficient investor interest in the sponsor's funds.

⁶ Section 102(a) of the *Amex Company Guide* requires a minimum public distribution of (i) 500,000 shares and 800 public shareholders; or (ii) 1,000,000 shares and 400 public shareholders; or (iii) 500,000 shares and 400 public shareholders and average daily trading volume of approximately 2,000 shares for the six months preceding the date of application.

⁷ 19 U.S.C. 80a-2(a)(3).

⁸ See *supra* note 6.

The Exchange is also proposing to permanently amend section 1003 of the *Amex Company Guide* to specify that each closed-end fund (regardless of whether it is part of a "fund family") will be subject to delisting if its market value of publicly held shares and net assets are each less than \$5,000,000 for more than 60 consecutive days, or it ceases to qualify as a closed-end fund (unless the resultant entity otherwise qualifies for listing).

The Exchange represents that the pilot program has enabled the Exchange to apply more objective and transparent listing criteria to closed-end funds without unnecessarily limiting the listing of specialized and smaller funds that are suitable for listing, and has provided greater clarity to listing applicants and investors as to the applicable Exchange listing standards. The Exchange represents that the pilot program has operated smoothly, and the Exchange is not aware of any problems or concerns that have developed since approval thereof. It should also be noted that the Exchange is aware of only one comment letter submitted with respect to the pilot program, which supports the proposed rule change.⁹

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with section 6(b) of the Act,¹⁰ in general, and furthers the objectives of section 6(b)(5),¹¹ in particular, in that 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 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, and is not designed to permit unfair discrimination between customers, issuers, brokers, or dealers. Specifically, the Exchange believes that the proposed rule change will continue to provide greater transparency with respect to the listing of closed-end funds, and potentially provide a larger number of such funds and their investors with the benefits inherent in an Amex listing of comprehensive regulation, transparent price discovery and trade reporting to facilitate best execution, and increased depth and liquidity resulting from the confluence

⁹ See letter from Ari Burstein, Associate Counsel, Investment Company Institute ("ICI"), to Jonathan G. Katz, Secretary, Commission, dated December 6, 2002 ("ICI Letter").

¹⁰ 15 U.S.C. 78f(b).

¹¹ 15 U.S.C. 78f(b)(5).

of order flow found in an auction market environment.

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

The Exchange has neither solicited nor received any written comments 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 Amex. All submissions should refer to File No. SR-Amex-2002-113 and should be submitted by February 24, 2003.

IV. Comment Summary

As noted above, the Commission received one comment letter from the ICI regarding the five-month pilot program, which supported the pilot.¹² The ICI believed that the changes set forth in the five-month pilot program would facilitate the listing of closed-end funds on the Amex, particularly listings of closed-end funds from a single fund family. The ICI noted the adoption of listing eligibility criteria for closed-end funds should take into account that closed-end funds are structured and regulated differently from regular operating companies. Further, the ICI asserted that, in light of these

¹² See letter from Ari Burstein, Associate Counsel, Investment Company Institute, to Jonathan G. Katz, Secretary, Commission, dated December 6, 2002 ("ICI Letter").

differences, it is appropriate to apply different financial standards to closed-end funds as compared to regular operating companies.¹³

V. 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.¹⁴ Specifically, the Commission believes the proposal is consistent with the requirements under section 6(b)(5) of the Act¹⁵ that the rules of an exchange be designed to promote just and equitable principles of trade, 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.

The Commission believes that the proposed rule change will continue to allow the Amex to provide greater transparency to its listing process for closed-end funds. In addition, the Commission believes that the proposed rule change will continue to allow the Amex to strike a reasonable balance between the Exchange's obligation to protect investors and their confidence in the market and the Exchange's obligation to perfect the mechanism of a free and open market by listing funds, including fund families, on the Exchange. Further, the Commission believes that providing an alternative method to list closed-end funds on the Exchange should continue to accommodate the desire of fund families to list groups of closed-end funds on one marketplace. Finally, the Commission notes that it has no knowledge of any problems or regulatory concerns that have developed since the approval of the five-month pilot program.¹⁶

The Commission finds good cause for approving the proposed rule change prior to the 30th day after publication in the **Federal Register**. The Amex has requested accelerated approval of the proposed rule change to ensure that the proposal is effective on a permanent basis prior to the expiration of the existing pilot program, and because it

¹³ *Id.*

¹⁴ In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁵ 15 U.S.C. 78f(b)(5).

¹⁶ Telephone conversation between Claudia Crowley, Assistant General Counsel, Amex, and Frank N. Genco, Attorney, Division, Commission, on January 17, 2003.

raises no new or novel issues and is conceptually similar to existing New York Stock Exchange closed-end fund listing standards.¹⁷ The Commission believes that the proposed rule change does not raise any new or significant regulatory issues, and that accelerated approval should permit the Exchange to continue listing funds and accommodating the desire of fund families to list groups of closed-end funds on one marketplace. The Commission notes that it received only one comment letter, which supported File No. Amex-2002-55,¹⁸ in which the Amex originally proposed the changes set forth in this proposal on a five-month pilot basis.¹⁹

It is therefore ordered, pursuant to section 19(b)(2) of the Act,²⁰ that the proposed rule change (File No. SR-Amex-2002-113) is approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²¹

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 03-2483 Filed 1-31-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47258; File No. SR-CSE-2003-01]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the Cincinnati Stock Exchange, Inc. To Amend Its Market Data Revenue Sharing Program for Tape B Securities

January 27, 2003.

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 6, 2003, the Cincinnati Stock Exchange, Inc. ("CSE" 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.

¹⁷ See Securities Exchange Act Release No. 46163 (July 3, 2002), 67 FR 46559 (July 15, 2002) (File No. SR-NYSE-2001-45) (approving initial listing standards and allocation policy for closed-end funds).

¹⁸ See ICI letter.

¹⁹ See Securities Exchange Act Release No. 46785 (November 7, 2002) 67 FR 69578 (November 18, 2002) (approving File No. SR-Amex-2002-55).

²⁰ 15 U.S.C. 78s(b)(2).

²¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

On January 24, 2003 the CSE amended the proposal.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The CSE proposes to modify the Exchange's schedule of transaction fees to amend its market data revenue sharing program for Tape B securities ("Program") traded on the Exchange. The text of the proposed rule change is below. Proposed new language is in italics; proposed deletions are in brackets.

Rule 11.10 National Securities Trading System Fees

A. Trading Fees

(a)-(j) (No change to text)

(k) Tape "B" Transactions. The CSE will not impose a transaction fee on Consolidated Tape "B" securities. In addition, Members will receive a 50 percent pro rata transaction credit of [Net]gross Tape "B" revenue; *provided that, however, calculation of the transaction credit will be based on net Tape "B" revenues in those fiscal quarters where the overall revenue retained by the Exchange does not offset actual expenses and working capital needs.* To the extent market data revenue from Tape "B" transactions is subject to year-end adjustment, credits provided under this program may be adjusted accordingly.

(l)-(r) (No change to text)

* * * * *

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 IV below. The Exchange has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

³ See January 23, 2003 letter from Jennifer M. Lamie, Esquire, CSE, to Katherine England, Assistant Director, Division of Market Regulation, Commission ("Amendment No. 1"). In Amendment No. 1, the CSE changed the text of the proposed rule to address omissions that were made in the original rule filing.