

MRO consists of a continuous strand of data and the receiver uses an NSCC-defined record layout that identifies each specific field of data to populate the information into its own internal reports. MRO contains additional fields of useful data that do appear on PI output. Participants that use MRO may receive multiple transmissions of data throughout the processing day and each transmission of data generally reflects activity only. Participants accumulate their intraday output files from NSCC throughout the day, and the sum of the accumulated files represents their total activity reported to NSCC for that processing day.

NSCC is also clarifying its rules to indicate that NSCC performs comparison processing only for over-the-counter and non-NYSE/Amex trades. NSCC's rules previously provided that when the NYSE and the Amex provided comparison processing, NSCC would no longer perform these functions for securities traded on these exchanges. Since the NYSE and Amex now provide this function, references to comparison processing for NYSE and Amex equities are being deleted.

NSCC believes that this proposed rule change is consistent with the provisions of section 17A of the Act³ and the rules and regulations thereunder because NSCC's rules will more accurately reflect the availability of trade reporting and trade comparison output. Therefore, the proposed rule change should enhance the prompt and accurate clearance and settlement of securities transactions.

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

NSCC 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

No written comments relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)(iii) of the Act⁴ and Securities Exchange Act Rule 19b-

4(f)(4)⁵ because it effects a change in an existing NSCC service that does not adversely affect the safeguarding of securities or funds in NSCC's control or for which NSCC is responsible and does not significantly affect NSCC's or its participants' respective rights or obligations. At any time within sixty days of the filing of such 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 is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0069. Comments may also be submitted electronically at the following e-mail address: *rule-comments@sec.gov*. All comment letters should refer to File No. SR-NSCC-2003-12. This file number should be included on the subject line if e-mail is used. To help us process and review 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 rule filing that are filed with the Commission, and all written communications relating to the rule filing between the Commission and any person, other than those that may be withheld from the public in accordance with provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room in Washington, DC. Copies of such filing will also be available for inspection and copying at NSCC's principal office. All submissions should refer to File No. SR-NSCC-2003-12 and should be submitted by August 6, 2003.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48135; File No. SR-Phlx-2003-21]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change and Amendment No. 1 Thereto by the Philadelphia Stock Exchange, Inc. Relating to a Disclaimer by Susquehanna Indices, LLP

July 7, 2003.

On April 2, 2003, the Philadelphia Stock Exchange, Inc. ("Phlx" 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 adopt new Rule 1104A, *Susquehanna Indices, LLP Indexes*, to provide a disclaimer with regards to SIG Investment Managers Index™ ("Index"). On May 23, 2003, the Phlx submitted Amendment No. 1 to the proposed rule change.³ The proposed rule change, as amended, was published in the **Federal Register** on June 4, 2003.⁴ This order approves the amended 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.⁵ Specifically, the Commission believes that the proposal is consistent with section 6(b)(5) of the Act,⁶ which requires, among other things, that the Exchange's rules be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and, in general, to protect investors and the public interest.

The Commission notes that the Exchange filed the proposed rule change pursuant to a license agreement requirement with Susquehanna Indices, LLP ("SI"), and the disclaimer provision would generally provide that SI makes no warranty, express or implied, as to the results or data to be obtained by any person or entity regarding the Index. The Commission believes that the Phlx's

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Carla Behnfeldt, Director, Legal Department New Product Development Group, Phlx, to Lisa N. Jones, Attorney, Division of Market Regulation, Commission, dated May 22, 2003 ("Amendment No. 1").

⁴ Securities Exchange Act Release No. 47937 (May 28, 2003), 68 FR 33555.

⁵ In approving this proposal, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁶ 15 U.S.C. 78f(b)(5).

³ 15 U.S.C. 78q-1.

⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

⁵ 17 CFR 240.19b-4(f)(1).

⁶ 17 CFR 200.30-3(a)(12).

proposed disclaimer provision is similar to the disclaimer provisions provided in other exchanges' rules relating to specified index options, and therefore raises no novel regulatory issues.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,⁷ that the proposed rule change (SR-Phlx-2003-21), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48144; File No. SR-Phlx-2003-31]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Philadelphia Stock Exchange, Inc. to Amend the Exchange's Rule 229 to Provide for the Automatic Execution of Odd-lot Market and Marketable Limit Orders Received Over PACE During Locked and Crossed Markets

July 9, 2003.

On April 23, 2002, the Philadelphia Stock Exchange, Inc. ("Phlx" 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 amend Phlx Rule 229, Supplementary Material .08, to modify the Philadelphia Stock Exchange Automated Communication and Execution ("PACE") System to provide for the automated execution of odd-lot market and marketable limit orders received over the PACE System during locked and crossed markets. When the PACE Quote³ is locked, odd-lot market and marketable limit orders entered after the

opening will be executed at the locked price. If the PACE Quote is crossed, odd-lot orders will be executed automatically at the mean of the crossed bid and offer if the bid is higher than the offer by \$.05 or less, or manually at the price of the next unlocked and uncrossed PACE Quote if the bid is higher than the offer by more than \$.05.

The proposed rule change was published for comment in the **Federal Register** on June 4, 2003.⁴ The Commission received no comments on the proposal.

After careful review, 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.⁵ Specifically, the Commission finds that the proposed rule change promotes the objectives of section 6(b)(5) of the Act,⁶ which requires, among other things, that the rules of the Exchange be 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 national market system, and, in general, to protect investors and the public interest.

The Commission believes that the proposed rule change is consistent with the Act because the Exchange's proposed process for handling odd-lot market and marketable limit orders after the opening should increase the efficiency of order handling by relieving the burden of specialists of dealing with manual orders of less than a round lot during periods of locked and crossed markets. Additionally, the Commission notes that the Exchange represents that the proposed rule change will improve and enhance order execution quality by reducing order execution time while simultaneously ensuring that orders receive the best bid or offer. Finally, the Commission notes that the proposed rule change is similar to that of the American Stock Exchange LLC⁷ and therefore raises no novel regulatory issues.

⁴ See Securities Exchange Act Release No. 47942 (May 29, 2003), 68 FR 33557 (June 4, 2003).

⁵ 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).

⁶ 15 U.S.C. 78f(b)(5).

⁷ See Securities Exchange Act Release No. 46304 (August 2, 2002), 67 FR 51903 (August 9, 2002).

It is therefore ordered, Pursuant to section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-Phlx-2003-31) be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3521]

State of Nebraska

Thayer County and the contiguous counties of Clay, Fillmore, Jefferson, Nuckolls, and Saline in the State of Nebraska; and Republic and Washington Counties in the State of Kansas constitute a disaster area due to severe storms, hail, flooding, and tornadoes that occurred on June 22 and June 23, 2003. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on September 8, 2003 and for economic injury until the close of business on April 12, 2004 at the address listed below or other locally announced locations: Small Business Administration, Disaster Area 3 Office, 4400 Amon Carter Boulevard, Suite 102, Forth Worth, TX 76155.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere	5.625
Homeowners without credit available elsewhere	2.812
Businesses with credit available elsewhere	5.906
Businesses and non-profit organizations without credit available elsewhere	2.953
Others (including non-profit organizations) with credit available elsewhere	5.500
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere	2.953

The numbers assigned to this disaster for physical damage are 352111 for Nebraska and 352211 for Kansas. For economic injury, the numbers are 9W2400 for Nebraska and 9W2500 for Kansas.

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

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ The PACE Quote is the best bid/ask quote among the American Stock Exchange, Boston Stock Exchange, Cincinnati Stock Exchange, Chicago Stock Exchange, New York Stock Exchange, Pacific Exchange or Philadelphia Stock Exchange, or the Intermarket Trading System/Computer Assisted Execution System ("ITS/CAES") quote, as appropriate. The Phlx has represented that the proposal, including the PACE quote, would not include Nasdaq securities. Telephone conversation between Murray L. Ross, Vice President and Secretary, Phlx, and Cyndi Rodriguez, Special Counsel, Division of Market Regulation, Commission, on July 1, 2003.