

thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. Amendment No. 1 to the NYSE proposal ensures that the NYSE and NASD approaches to the regulation of day trading margin rules are consistent so that they can be applied and interpreted uniformly. Amendment No. 1 to the NASD's rule proposal also ensures that the NASD's and NYSE's approaches to the regulation of day trading are consistent and provides for additional time for firms to implement its proposed rule change. For these reasons, the Commission finds good cause for accelerating approval of both amendments.

## V. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the Amendment No. 1 to each proposed rule change, including whether they are 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 changes 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. Copies of Amendment No. 1 to the NYSE proposed rule change will also be available for inspection and copying at the principal office of the NYSE. Copies of Amendment No. 1 to NASD proposed rule change will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File Nos. SR-NYSE-99-47 or SR-NASD-00-03 and should be submitted by March 27, 2001.

## VI. Conclusion

*It is Therefore Ordered*, pursuant to section 19(b)(2) of the Act,<sup>137</sup> that the proposals SR-NYSE-99-47 and SR-

NASD-00-03 as amended, be and hereby are approved.<sup>138</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-5402 Filed 3-5-01; 8:45 am]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44010; File No. SR-PCX-00-37]

### Self-Regulatory Organizations; the Pacific Exchange, Inc.; Order Granting Approval to Proposed Rule Change to Increase Fines for Violations of Exchange Rules Under the Exchange's Minor Rule Plan

February 27, 2001.

#### I. Introduction

On December 11, 2000, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC"), 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> a proposed rule change to increase fines for members, floor brokers and market makers for violating Exchange rules under the Minor Rule Plan. The Exchange amended the proposal on January 8, 2001.<sup>3</sup> The proposed rule change was published for comment in the **Federal Register** on January 23, 2001.<sup>4</sup> The Commission received no comments on the proposal. This order approves the proposed rule change, as amended.

#### II. Description of the Proposal

The Exchange proposes to amend PCX Rule 10.13(k) governing Minor Rule Plan violations to increase most of the fines. The PCX believes the current average Minor Rule Plan fine of \$250 is too low to deter violations of PCX rules. The Exchange believes that an increase in fines will more adequately sanction violations of the PCX's order handling

<sup>138</sup> In approving the proposals, the Commission has considered their impact on efficiency, competition, and capital formation.

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

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

<sup>3</sup> See January 5, 2001 letter from Cindy L. Sink, Senior Attorney, Regulatory Policy, PCX to Nancy Sanow, Assistant Director, Division of Market Regulation ("Division"), SEC and attachments ("Amendment No. 1"). In response to a request from the Division, the PCX converted the proposal from effective upon filing pursuant to section 19(b)(3)(A) of the Act, to being considered pursuant to Section 19(b)(2) in Amendment No. 1. 15 U.S.C. 78s(b)(3)(A). 15 U.S.C. 78s(b)(2).

<sup>4</sup> Securities Exchange Act Release No. 43846 (January 16, 2001), 66 FR 7526.

and investigating rules, many of which are processed under the Minor Rule Plan.

Most PCX Minor Rule Plan violations currently specify a fine of \$250 for a first violation, \$500 for a second, and \$750 for a third. Multiple violations are calculated on a two-year basis. Under the proposed increases, most fines will be \$1,000 for a first violation, \$2,500 for a second and \$3,500 for a third,<sup>5</sup> calculated on the same two-year basis. Some violations, such as disruptive conduct or abusive language on the options floor, will be \$500 for a first violation, \$2,000 for a second, and \$3,500 for a third.

Other violations, such as a member's failure to cooperate with a PCX examination of its financial responsibility or operational condition, will be fined \$2,000 for a first violation, \$4,000 for a second, and \$5,000 for a third. A member that impedes or fails to cooperate in an Exchange investigation will be fined \$3,500 for a first violation, \$4,000 for a second, and \$5,000 for a third. Less serious violations, such as fines for improper dress under the PCX dress code, remain unchanged at \$100 for the first violation, \$200 for the second, and \$500 for the third.

Under the proposal, the Enforcement Department would continue to exercise its discretion under PCX Rule 10.13(f) and take cases out of the Minor Rule Plan to pursue them as formal disciplinary matters if the facts or circumstances warrant such action.

#### III. Discussion

The Commission has reviewed carefully the PCX's proposed rule change and finds, for the reasons set forth below, that the proposal is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange,<sup>6</sup> and with the requirements of section 6(b).<sup>7</sup> In particular, the Commission finds the proposal is consistent with section 6(b)(5)<sup>8</sup> of the Act in that it is designed to prevent fraudulent and manipulative acts and practices, 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

<sup>5</sup> The Commission notes that when the PCX imposes a sanction in excess of \$2,500, it must comply with Rule 19d-1 under the Act. 17 CFR 240.19d-1.

<sup>6</sup> In approving this rule, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>137</sup> 15 U.S.C. 78s(b)(2).

public interest. The Commission finds the proposal is also consistent with section 6(b)(6)<sup>9</sup> of the Act, which requires that the rules of an exchange provide that its members and associated persons be appropriately disciplined for violations of the Act and the rules of the Exchange. The Commission believes that the proposed rule change should assist the Exchange in exercising its responsibilities as self-regulatory organization to properly conduct surveillance and to diligently monitor its members for compliance with the securities laws. The Commission also believes that increasing the fines for Minor Rule Plan violations will serve as a deterrent, and hopefully will result in fewer violations. The Commission notes, however, that the Exchange must continue to exercise its discretion under PCX Rule 10.13(f) and pursue violations of the rules included in the Minor Rule Plan as formal disciplinary matters if the facts and circumstances of the violation warrant such action.

#### IV. Conclusion

*It Is Therefore Ordered*, pursuant to section 19(b)(2) of the Act,<sup>10</sup> that the proposed rule change (SR-PCX-00-37), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 01-5331 Filed 3-5-01; 8:45 am]

**BILLING CODE 8010-1-M**

#### SMALL BUSINESS ADMINISTRATION

**[Declaration of Economic Injury Disaster #9K85]**

##### State of Georgia

Bryan, Glynn, and McIntosh Counties and the contiguous counties of Brantley, Bulloch, Camden, Chatham, Effingham, Evans, Liberty, Long, and Wayne in the State of Georgia constitute an economic injury disaster loan area as a result of extended cold and severe freezes that occurred between December 17, 2000 and January 7, 2001. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance as a result of this disaster until the close of business on *November 26, 2001* at the address listed below or other locally announced locations: U.S. Small Business

Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

The number assigned for economic injury for the State of Georgia is 9K8500.

(Catalog of Federal Domestic Assistance Program No. 59002.)

Dated: February 26, 2001.

**John Whitmore,**

*Acting Administrator.*

[FR Doc. 01-5333 Filed 3-5-01; 8:45 am]

**BILLING CODE 8025-01-U**

#### SMALL BUSINESS ADMINISTRATION

**[Declaration of Economic Injury Disaster #9K86]**

##### State of Iowa

Hardin County, Iowa and the contiguous counties of Butler, Franklin, Hamilton, Grundy, Marshall, Story, and Wright constitute an economic injury disaster loan area as a result of a natural gas explosion in the City of Hubbard on December 7, 2000. Eligible small businesses and small agricultural cooperatives without credit available elsewhere may file applications for economic injury assistance as a result of this disaster until the close of business on November 26, 2001 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Ft. Worth, TX 76155.

The interest rate for eligible small businesses and small agricultural cooperatives is 4 percent.

The number assigned for economic injury for the State of Iowa is 9K8600.

(Catalog of Federal Domestic Assistance Program No. 59002.)

Dated: February 26, 2001.

**John Whitmore,**

*Acting Administrator.*

[FR Doc. 01-5334 Filed 3-5-01; 8:45 am]

**BILLING CODE 8025-01-U**

#### SMALL BUSINESS ADMINISTRATION

**[Declaration of Disaster #3318]**

##### State of Mississippi

As a result of the President's major disaster declaration on February 23, 2001, I find that Holmes, Lowndes and Oktibbeha Counties in the State of Mississippi constitute a disaster area due to damages caused by Severe Storms and Tornadoes on February 16,

2001. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on April 24, 2001 and for economic injury until the close of business on November 23, 2001 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 2 Office, One Baltimore Place, Suite 300, Atlanta, GA 30308.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties in Mississippi may be filed until the specified date at the above location: Attala, Carroll, Choctaw, Clay, Humphreys, Leflore, Madison, Monroe, Noxubee, Webster, Winston and Yazoo; Lamar and Pickens counties in the State of Alabama.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners With Credit Available Elsewhere .....	7.000
Homeowners Without Credit Available Elsewhere .....	3.500
Businesses With Credit Available Elsewhere .....	8.000
Businesses and Non-Profit Organizations Without Credit Available Elsewhere .....	4.000
Others (Including Non-Profit Organizations) With Credit Available Elsewhere .....	7.000
For Economic Injury:	
Businesses and Small Agricultural Cooperatives Without Credit Available Elsewhere ...	4.000

The number assigned to this disaster for physical damage is 331811. For economic injury the number is 9K8300 for Mississippi, and 9K8400 for Alabama.

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

Dated: February 26, 2001.

**Herbert L. Mitchell,**

*Associate Administrator, For Disaster Assistance.*

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<sup>9</sup> 15 U.S.C. 78f(b)(6).

<sup>10</sup> 15 U.S.C. 78s(b)(2).

<sup>11</sup> 17 CFR 200.30-3(a)(12).