

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44576; File No. SR-Amex-2001-44]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange LLC Relating to the Goldman Sachs Technology Composite Index

July 19, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934,¹ and Rule 19b-4 thereunder,² notice is hereby given that on June 29, 2001, the American Stock Exchange LLC ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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.

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

The Amex proposes to add Rule 1005A relating to the liability disclaimer and warranty with respect to the Goldman Sachs Technology Composite Index and sub-indexes thereof licensed for use in connection with certain Index Fund Shares traded on the Exchange. The following is the text of the proposed rule change (all new language):

Rule 1005A. Goldman Sachs Technology Composite Index

The Goldman Sachs Technology Composite Index and its sub-indexes (the "Indexes") are trademarks and trade names of Goldman, Sachs & Co. ("GS") that are licensed for use in connection with certain exchange traded index funds traded on the Exchange (the "Products"). The Products are not sponsored, endorsed, sold or promoted by GS, the Exchange or any of their affiliates. GS, the Exchange and their affiliates do not guarantee the accuracy and/or completeness of the Indexes, the Products or any data included therein or the ability of the Indexes or the Products to track the appropriate index performance. GS, the Exchange and their affiliates make no express or implied warranties, and disclaim all warranties of merchantability or fitness for a particular purpose with respect to the Indexes, the Products or any data included therein.

Without limiting any of the foregoing, in no event shall GS, the Exchange and their affiliates have any liability for any lost profits or special, punitive, incidental, indirect, or consequential damages (including lost

profits), even if notified of the possibility of such damages. In addition, GS, the Exchange and their affiliates shall have no liability for any damages, claims, losses or expenses caused by any errors, omissions, interruptions or delays in calculating or disseminating the Indexes or the prices of the Products.

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

In its filing with the Commission, 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 Amex 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 the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange currently trades shares of iShares Goldman Sachs Technology Index Fund based on the Goldman Sachs Technology Composite Index. The Exchange proposes to add Rule 1005A relating to various disclaimers of liability and warranties in connection with the trading in these Index Fund Shares as well as other Index Fund Shares series that may be based on sub-indexes of the Index. Proposed Rule 1005A would provide, among other things, that Index and its subindexes ("Indexes") are licensed for use in connection with certain Index Fund Shares traded on the Exchange. Proposed Rule 1005A would provide that the relevant index funds are not sponsored, endorsed, sold or promoted vs Goldman, Sachs & Co. ("GS"), the Exchange or any of their affiliates; and, among other things, would provide certain disclaimers including with respect to guarantees of the accuracy and/or completeness of the Indexes or the ability of the Indexes or the applicable Index Fund Shares to track the appropriate index performance; warranty of results to be obtained; liability for lost profits or damages; or liability with respect to damages, claims, losses or expenses caused by errors, omissions, interruptions or delays in calculating or disseminating the Indexes or the prices of the applicable Index Fund Shares.

The Exchange believes that proposed Rule 1005A is similar to Rules 1004,

1005 and 1006, which provide various disclaimers for Standard & Poor's, Dow Jones, and Nasdaq Indexes, respectively, in connection with Portfolio Depositary Receipts (e.g., SPDRs®, DIAMONDS®, Nasdaq-100® Index Tracking Stock); and Rule 1004A which provides disclaimers for Index Fund Shares based on the Fortune 500® Index and the Fortune e-50™ Index.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with section 6(b) of the Act,³ in general, and furthers the objectives of section 6(b)(5),⁴ in particular, 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 investor and the public interest; and are not designed to permit unfair discrimination between customers, issuers, brokers and dealers.

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 that is 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 and Others

Amex has neither solicited nor received written comments with respect to the proposed rule change.

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

Because the foregoing rule change (1) does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; (3) does not become operative for 30 days from June 29, 2001, the date on which it was filed, and the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date, it has become effective pursuant to section 19(b)(3)(A) of the Act⁵ and Rule 19b-4(f)(6) thereunder.⁶ At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate

³ 15 U.S.C. 78f(b).

⁴ 15 U.S.C. 78f(b)(5).

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(f)(6).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 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 in Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to the file number in the caption above and should be submitted by August 16, 2001.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 01-18645 Filed 7-25-01; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44579; File No. SR-CSE-2001-03]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Cincinnati Stock Exchange, Inc. Relating to Transaction and Book Fees

July 20, 2001.

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 June 28, 2001, the Cincinnati Stock Exchange, Incorporated ("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 CSE. The Commission is publishing this notice to solicit comment on the proposed rule change from interested persons.

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

The CSE proposes to amend the Exchange's schedule of book and transaction fees. Below is the text of the proposed rule change. Proposed new language is italicized; proposed deletions are in brackets.

* * * * *

Chapter XI

Trading Rules

Rule 11.10 National Securities Trading System Fees

A. Trading Fees (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 [per cent] pro rata transaction credit of *Net* Tape "B" revenue.

(l) *Tape "C" Transactions. Tape "C" Transactions is defined as transactions conducted in Nasdaq securities pursuant to unlisted trading privileges ("UTP"). Members will be charged \$0.001 per share per side (\$1.00/1000 shares), with a maximum charge of \$37.50 per firm per side, for Tape C Transactions.*

(m) DD Issue/Book Fees. Designated Dealers will be charged a monthly book fee based on the following incremental schedule:

Number of issues	Fee per issue
0 to 150	[\$20.00] <i>\$25.00</i>
151 to 300	[\$10.00] <i>\$15.00</i>
301 [and higher] to 500	[\$5.00] <i>\$10.00</i>
500 and higher	<i>\$1.00</i>

[(m)] (n) NSTS Internal Customer Port Charge. For purposes of this charge, a "Port" shall be defined as a TCP/IP address. For each port utilized on the CSE mainframe, a [\$200.00] *\$350.00* per month charge will be assessed the member.

[(n)] (o) Technology Fee. Every member of the Exchange shall be assessed a fee of [\$300.00] *\$500.00* per month to help offset technology expenses incurred by the Exchange.

[(o)] (p) Clearing Related Fee Passed Through To Member. (No change to text).

[(p)] (q) SEC Fee (No change to text).

B. Membership Fees. (No Change to Text)³

C. Transaction Credit De Minimis. For all rebates applicable to Tape A and Tape B Transactions, no member shall be eligible for a rebate for any quarter unless the total rebate calculation for that quarter exceeds \$500.00.

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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 CSE 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 CSE has prepared summaries, set forth in sections A, B, and C below, of the most significant parts 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 is proposing several amendments to various book and transaction fees in keeping with recent trends in the securities industry. The first proposed amendment would make two clarifications to CSE Rule 11.10(A)(k) ("Tape "B" Transactions"). The first clarification proposed by the Exchange changes the term "percent" to "percent," and the second clarification would add the word "Net" before the term "Tape "B" Revenue." In addition, the Exchange proposes to add a provision to CSE Rule 11.10(A) as new subsection (1) entitled "Tape "C" Transactions." This proposed section establishes a fee schedule for transactions in Nasdaq securities.

The second proposed amendment would be to CSE Rule 11.10(A)(l) ("DD Issue/Book Fees") in which the monthly book fees would increase by five dollars (\$5.00) for certain incremental number of issues traded and decrease the monthly book fee to one dollar (\$1.00) for the highest increment. The Exchange also proposes to amend the increments of issues. Book fees are charged to Designated Dealers for each issue in which they are registered as a specialist. This increase is necessary to offset the recent rise in regulatory and

³ The Exchange inadvertently excluded Section B from the proposed rule text, which reflects no change in the current rule text. Telephone conversation between Jeffrey T. Brown, Vice President, Regulation and General Counsel, CSE, and Lisa Jones, Attorney, Division of Market Regulation, Commission, July 12, 2001.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.