

prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and to protect investors and the public interest.

Specifically, the Commission finds that NASD Dispute Resolution's proposal is designed to protect investors and the public interest by making it faster and less costly for investors and other claimants to proceed and obtain awards against defunct members and associated persons while also providing safeguards to all parties. The Commission also believes that the proposed rule change implements the recommendations in the GAO report concerning unpaid arbitration awards issued in arbitration proceedings in securities industry arbitration forums.

## V. Conclusion

For the foregoing reasons, the Commission finds that the proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act,<sup>20</sup> that the proposed rule change (SR-NASD-2002-15) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>21</sup>

**Margaret H. McFarland,**  
*Deputy Secretary.*

[FR Doc. 02-18566 Filed 7-22-02; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46212; File No. SR-Phlx-2002-36]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Fees Applicable to Competing Specialists

July 16, 2002.

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> notice is hereby given that on June 28, 2002, the Philadelphia Stock Exchange, Inc. ("Phlx" 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.

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

The Phlx proposes to amend its schedule of dues, fees and charges to increase from \$0.30 to \$0.35 its equity option transaction charge on members for off-floor broker-dealer transactions.<sup>3</sup> The Exchange intends to implement this fee on transactions settling on or after July 1, 2002.<sup>4</sup>

Currently, the Exchange imposes a fee on its members for off-floor broker-dealer transactions.<sup>5</sup> This category includes registered options traders ("ROTs") who trade from off-floor and broker-dealers who route orders through firm, customer or market maker accounts carried by a member clearing firm that are executed on the Exchange trading floor, but not firm/proprietary orders.<sup>6</sup> All other equity option transaction charges will remain unchanged.<sup>7</sup>

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

<sup>3</sup> The Exchange is also amending the accompanying footnote in the Summary of Equity Options Charges on the Exchange's schedule of dues, fees and charges to make it more precise.

<sup>4</sup> This fee will continue to be eligible for the monthly credit of up to \$1,000 to be applied against certain fees, dues, charges and other amounts owed to the Exchange by certain members. *See* Securities Exchange Act Release No. 44292 (May 11, 2001), 66 FR 27715 (May 18, 2001) (SR-Phlx-2001-49).

<sup>5</sup> *See* Securities Exchange Act Release No. 45942 (May 16, 2002), 67 FR 36060 (May 22, 2002) (SR-Phlx-2002-32).

<sup>6</sup> A firm/proprietary transaction or comparison charge applies to members for orders for the proprietary account of any member or non-member broker-dealer that derives more than 35 percent of its annual, gross revenues from commissions and principal transactions with customers. *See* Securities Exchange Act Release No. 43558 (November 14, 2000), 65 FR 69984 (November 21, 2000) (SR-Phlx-00-85).

<sup>7</sup> For purposes of the equity option transaction charge, the broker-dealer option equity transaction charge is currently defined in a footnote in the Summary of Equity Options Charges on the Exchange's schedule of dues, fees and charges, as a charge that is applied to members for orders entered from other than the floor of the Exchange for any account (i) in which the holder of beneficial interest is a member or non-member broker-dealer or (ii) in which the holder of beneficial interest is a person associated with or employed by a member or non-member broker-dealer. This includes orders for the account of an ROT entered from off-floor. The Exchange proposes to replace the word "entered" with the word "received" to make the definition more precise.

### 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 Phlx 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 Phlx 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 purpose of the proposed rule change is to generate additional revenue for the Exchange by increasing the fee imposed on members for off-floor broker-dealer transactions. Thus, the broker-dealer equity option transaction charge will be increased from \$0.30 to \$0.35.

##### 2. Statutory Basis

The Exchange believes that its proposal is consistent with section 6(b) of the Act,<sup>8</sup> in general, and furthers the objectives of section 6(b)(4) of the Act,<sup>9</sup> in particular, by providing for the equitable allocation of reasonable dues, fees and other charges among its members. The Exchange believes the proposal is equitable and reasonable because the proposed broker-dealer equity option transaction charge represents a modest increase intended to generate additional revenue.

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

The Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

#### C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to

<sup>20</sup> 15 U.S.C. 78s(b)(2).

<sup>21</sup> 17 CFR 200.30-3(a)(12).

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

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

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

<sup>9</sup> 15 U.S.C. 78f(b)(4).

section 19(b)(3)(A) of the Act <sup>10</sup> and subparagraph (f)(2) of Rule 19b-4 <sup>11</sup> thereunder. At any time within 60 days of the filing of the proposed 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 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 at the Commission's Public Reference Room. Copies of such filing also will be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-2002-36 and should be submitted by August 13, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 02-18560 Filed 7-22-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3433]

Territory of Guam

As a result of the President's major disaster declaration for Public Assistance on July 5, 2002, and Amendment 1 adding Individual Assistance on July 12, 2002, I find that the Territory Of Guam constitutes a disaster area due to damages caused by Typhoon Chata'an occurring on July 5-

<sup>10</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>11</sup> 17 CFR 240.19b-4(f)(2).

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

6, 2002. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on September 10, 2002 and for economic injury until the close of business on April 10, 2003 at the address listed below or other locally announced locations: U.S. Small Business Administration, Disaster Area 4 Office, P.O. Box 13795, Sacramento, CA 95853-4795.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere .....	6.750
Homeowners without credit available elsewhere .....	3.375
Businesses with credit available elsewhere .....	7.000
Businesses and non-profit organizations without, credit available elsewhere .....	3.500
Others (including non-profit organizations) with credit available elsewhere .....	6.375
For Economic Injury: Businesses and small agricultural cooperatives without credit available elsewhere .....	3.500

The number assigned to this disaster for physical damage is 343308 and for economic injury the number is 9Q5600.

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

Dated: July 16, 2002.

Herbert L. Mitchell,  
Associate Administrator For Disaster Assistance.

[FR Doc. 02-18518 Filed 7-22-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster #3422]

State Of Indiana, Amendment # 2

In accordance with a notice received from the Federal Emergency Management Agency, dated July 9, 2002, the above numbered declaration is hereby amended to include Sullivan County in the State of Indiana as a disaster area due to damages caused by severe storms, tornadoes and flooding occurring April 28, 2002 through June 7, 2002.

All contiguous counties have been previously declared.

All other information remains the same, i.e., the deadline for filing applications for physical damage is August 12, 2002, and for economic injury the deadline is March 13, 2003.

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

Dated: July 16, 2002.

Herbert L. Mitchell,  
Associate Administrator for Disaster Assistance.

[FR Doc. 02-18519 Filed 7-22-02; 8:45 am]

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SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster # 3431]

Commonwealth of Pennsylvania; and Contiguous Counties in the State of West Virginia

Washington County and the contiguous counties of Allegheny, Beaver, Fayette, Greene and Westmoreland in the Commonwealth of Pennsylvania; and Brooke, Hancock, Marshall and Ohio counties in the State of West Virginia constitute a disaster area due to damages caused by flooding and mudslides that occurred on June 13, 2002. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on September 16, 2002 and for economic injury until the close of business on April 16, 2003 at the address listed below or other locally announced locations:

U.S. Small Business Administration, Disaster Area 1 Office, 360 Rainbow Blvd., South 3rd Floor, Niagara Falls, NY 14303.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with credit available elsewhere .....	6.750
Homeowners without credit available elsewhere .....	3.375
Businesses with credit available elsewhere .....	7.000
Businesses and non-profit organizations without credit available elsewhere .....	3.500
Others (including non-profit organizations) with credit available elsewhere .....	6.375
For Economic Injury: Businesses and small agricultural cooperatives without credit available elsewhere .....	3.500

The number assigned to this disaster for physical damage is 343106 for Pennsylvania and 343206 for West Virginia. For economic injury, the numbers are 9Q5400 for Pennsylvania and 9Q5500 for West Virginia.

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