

2000, through 11:59 p.m. EST, on March 24, 2000.

By the Commission.

Johnathan G. Katz,
Secretary.

[FR Doc. 00-6507 Filed 3-13-00; 12:02 pm]

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SECURITIES AND EXCHANGE COMMISSION

[File No. 500-1]

U.N. Dollars Corporation; Order of Suspension of Trading

March 13, 2000.

It appears to the Securities and Exchange Commission that there is a lack of current and accurate information concerning the securities of U.N. Dollars Corporation ("UNDR") because of questions regarding the accuracy of assertions made by UNDR, and by others, in documents sent to and statements made to market makers of the stock of UNDR, other broker dealers, and to investors concerning among other things: (1) Contracts entered into by UNDR, (2) sources of financing claimed by UNDR, and (3) possible artificial manipulation of the market for the stock of UNDR.

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 9:30 a.m. EST, March 13, 2000 through 11:59 p.m. EST, on March 24, 2000.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42503; File No. SR-CHX-99-11]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to Specialist Retention Periods for Nasdaq National Market Securities Traded on the Exchange Pursuant to Unlisted Trading Privileges

March 8, 2000.

I. Introduction

On August 19, 1999, the Chicago Stock Exchange, Incorporated ("CHX" 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 modify co-specialist retention periods for securities listed on the Exchange and to eliminate co-specialist retention periods for Nasdaq National Market ("Nasdaq/NM") securities traded on the Exchange pursuant to unlisted trading privileges.³ The **Federal Register** published the proposed rule change for comment on October 12, 1999, and the portion related to listed securities was approved, on an accelerated basis, at that time.⁴ The Commission received no comments on the proposal. This order approves the proposal.

II. Description of Proposal

The Exchange proposes eliminating retention periods for co-specialists in Nasdaq/NM securities provided that at least five calendar days notice is given to order sending firms. Because the number of Nasdaq/NM securities that the Exchange can trade pursuant to unlisted trading privileges ("UTP") is limited,⁵ stock allocation issues relating to Nasdaq/NM securities that are distinct from allocation issues relating to other securities traded on the Exchange have developed. Specifically, because the existing 1,000 security limit on the total number of Nasdaq/NM securities that can be traded UTP on an Exchange-wide basis has been largely

filled, co-specialists in Nasdaq/NM securities cannot acquire a new Nasdaq/NM issue until they deregister in an issue they currently trade and that security is removed from the list of Nasdaq/NM securities traded on the Exchange. The current specialist deregistration rules, however, do not provide the flexibility to quickly complete this procedure.⁶ In addition, the current rules do not provide Nasdaq/NM specialist firms sufficient flexibility to reallocate stocks awarded in competition between co-specialists within the same specialist unit when a co-specialist's stocks become active and volatile.⁷

To address these concerns, the Exchange is proposing to eliminate the retention restrictions on co-specialists for Nasdaq/NM securities governed by Interpretation and Policy .01 to Rule 1. The amended interpretation will permit co-specialists in Nasdaq/NM issues to deregister in an issue more quickly, to allow them to respond to market developments. In addition, and, subject to the continuing authority of the Exchange's Committee on Specialist Assignments and Evaluation, the proposal permits co-specialists in Nasdaq/NM securities to deregister at any time after providing at least five calendar days notice to order sending firms, and allows intra-firm transfers of Nasdaq/NM securities awarded in competition without a mandatory retention period.⁸

The Exchange will ensure that there will be no disruption to the marketplace as a result of relaxed stock retention requirements.⁹ The Exchange believes

⁶ Interpretation and Policy .01 to Article XXX, Rule 1 of the CHX Rules requires two years to elapse before an intra-firm transfer of an issue awarded in competition (*i.e.*, transfer of the issue to another co-specialist within the same specialist unit) is permitted without posting. No time period is required before an intra-firm transfer of an issue awarded without competition is allowed. Before a co-specialist is able to deregister in a security if no other specialist would be assigned to the security after posting and deregistration, a co-specialist was required to trade the security for three months for securities awarded without competition, and one year for securities awarded in competition.

⁷ In such a situation, a specialist unit might deem it to be in the best interests of customers and the Exchange to transfer the stock to another co-specialist within the same specialist unit that is assigned to a fewer number of issues or is more experienced.

⁸ There is currently no minimum retention period for intra-firm transfers of securities awarded without competition. See Article XXX, Rule 1, Interpretation and Policy .01.

⁹ The Exchange represents that the proposed rule change will have no ramifications on the UTP Plan governing the collection, consolidation and dissemination of quotation and transaction information for NASDAQ/NM securities. Telephone call between Paul O'Kelly, Executive Vice President, CHX, and Sonia Patton, Attorney, Division, Commission, on March 8, 2000.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 41922 (Sept. 26, 1999), 64 FR 55324 (Oct. 12, 1999).

⁴ *Id.* The order permanently approved a pilot program relating to the time periods for which a co-specialist must trade a security listed on the Exchange prior to deregistering as the specialist for that security as set forth in CHX Rules, Article XXX, Rule 1, Interpretation and Policy .01.

⁵ Securities Exchange Act Rel. No. 41392 (May 12, 1999), 64 FR 27839 (May 21, 1999).