

compulsory repositories will ensure that investors have continued access to terms and provisions relating to certain static features of those municipal securities. The provisions of Rule 15c2-12 regarding an issuer's continuing disclosure requirements assist investors by ensuring that information about an issue or issuer remains available after the issuance.

Municipal offerings of less than \$1 million are exempt from the rule, as are offerings of municipal securities issued in large denominations that are sold to no more than 35 sophisticated investors, have short-term maturities, or have short-term tender or put features. It is estimated that approximately 12,000 brokers, dealers, municipal securities dealers, issuers of municipal securities, and nationally recognized municipal securities information repositories will spend a total of 123,850 hours per year complying with Rule 15c2-12.

There is no specific retention period applied by Rule 15c2-12 for the recordkeeping requirement contained in Rule 15c2-12. The retention period is determined by private agreement between a nationally recognized municipal securities information repository and the issuer.

The recordkeeping requirement is mandatory to ensure that investors have access to information about the issuer and particular issues of municipal securities. This rule does not involve the collection of confidential information. Please note that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

General Comments regarding the estimated burden hours should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 10102, New Executive Office Building, Washington, DC 20503; and (ii) Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: December 29, 2003.

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

Proposed Collection; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information, Washington, DC 20549.

Extension: Rule 17Ad-10; SEC File No. 270-265; OMB Control No. 3235-0273.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

- Rule 17Ad-10: Prompt posting of certificate detail to master securityholder files, maintenance of accurate securityholder files, communications between co-transfer agents and recordkeeping transfer agents, maintenance of current control book, retention of certificate detail and "buy-in" of physical over-issuance

Rule 17Ad-10, 17 CFR 240.17Ad-10, under the Securities Exchange Act of 1934, requires approximately 950 registered transfer agents to create and maintain minimum information on securityholders' ownership of an issue of securities for which it performs transfer agent functions, including the purchase, transfer and redemptions of securities. In addition, the rule also requires transfer agents that maintain securityholder records to keep certificate detail that has been cancelled from those records for a minimum of six years and to maintain and keep current an accurate record of the number of shares or principle dollar amount of debt securities that the issuer has authorized to be outstanding (a "control book"). These recordkeeping requirements assist in the creation and maintenance of accurate securityholder records, the ability to research errors, and ensure the transfer agent is ware of the number of securities that are properly authorized by the issuer, thereby avoiding overissuance.

There are approximately 950 transfer agents currently registered with the Commission. The staff estimates that the average number of hours necessary for each transfer agent to comply with Rule 17Ad-10 is approximately 20 hours per year, totalling 19,000 hours industry-wide. The average cost per hour is approximately \$20 per hour, with the industry-wide cost estimated at approximately \$380,000. However, the information required by Rule 17Ad-10

generally already is maintained by registered transfer agents. The amount of time devoted to compliance with Rule 17Ad-10 varies according to differences in business activity.

Written comments are invited on: (a) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimates of the burden of the proposed collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549.

Dated: December 22, 2003.

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49010; File No. 4-429]

Joint Industry Plan; Notice of Filing of Joint Amendment No. 8 to the Options Intermarket Linkage Plan Relating to Satisfaction Orders and Trade-Throughs

December 30, 2003.

Pursuant to Section 11A of the Securities Exchange Act of 1934 ("Act")¹ and Rule 11Aa3-2 thereunder,² notice is hereby given that on December 18, 2003, December 22, 2003, December 29, 2003, and December 30, 2003, the International Securities Exchange, Inc. ("ISE"), the Pacific Exchange, Inc. ("PCX"), the American Stock Exchange LLC ("Amex"), the Philadelphia Stock Exchange, Inc. ("Phlx"), and the Chicago Board Options Exchange, Inc. ("CBOE") (collectively, the "Participants"), respectively, filed with the Securities and Exchange Commission ("SEC" or

¹ 15 U.S.C. 78k-1.

² 17 CFR 240.11Aa3-2.

“Commission”) an amendment (“Amendment No. 8”) to the Options Intermarket Linkage Plan (“Linkage Plan”).³ In proposed Joint Amendment No. 8, the Participants propose to extend the pilot provision limiting trade-through liability to 10 contracts for each Satisfaction Order (“S Order”) at the end of the day for an additional five months, until June 30, 2004. The Commission is publishing this notice to solicit comments from interested persons on the proposed Linkage Plan amendment.

I. Description and Purpose of the Amendment

The Participants are proposing to extend the pilot provision that limits “trade-through”⁴ liability to 10 contracts for each S Order at the end of the day for an additional five months, until June 30, 2004, in order to gain more experience with the effect of this limitation on trade-through liability. Pursuant to the pilot, an Participant member’s trade-through liability is limited to 10 contracts per Satisfaction Order for the period between five minutes prior to the close of trading in the underlying security and the close of trading in the options class.

The Participants originally proposed this limitation on liability as a one-year pilot in Amendment No. 4 to the Plan.⁵ In Amendment No. 4, the Participants represented that members of various exchanges had raised concerns regarding their obligation to fill Satisfaction Orders (which they receive when an options exchange disseminating a better price complains about a trade-through) at the close of trading in the underlying security.

³ On July 28, 2000, the Commission approved a national market system plan for the purpose of creating and operating an intermarket options market linkage (“Linkage”) proposed by Amex, CBOE, and ISE. See Securities Exchange Act Release No. 43086 (July 28, 2000), 65 FR 48023 (August 4, 2000). Subsequently, Phlx and PCX joined the Linkage Plan. See Securities Exchange Act Release Nos. 43573 (November 16, 2000), 65 FR 70850 (November 28, 2000) and 43574 (November 16, 2000), 65 FR 70851 (November 28, 2000). On June 27, 2001 and May 30, 2002, respectively, the Commission approved amendments to the Linkage Plan. See Securities Exchange Act Release Nos. 44482 (June 27, 2001), 66 FR 35470 (July 5, 2001) and 46001 (May 30, 2002), 67 FR 38687 (June 5, 2002).

⁴ A “Trade-Through” is defined as a transaction in an options series at a price that is inferior to the national best bid and offer in an options series calculated by a Participant.

⁵ The Commission approved the pilot on a 120-day temporary basis on January 31, 2003. See Securities Exchange Act Release No. 47298 (January 31, 2003), 68 FR 6524 (February 7, 2003). On June 18, 2003, the Commission approved the pilot until January 31, 2004. See Securities Exchange Act Release No. 48055, 68 FR 37869 (June 25, 2003) (File No. 4-429).

Specifically, members expressed concern that they may not have time to hedge the positions they acquire.⁶ Thus, the Participants proposed to limit liability for trade-throughs for the last five minutes of the trading day in the underlying security to the filling of 10 contracts per Participant, per transaction. The Participants represented that they believed that the proposal would protect small customer orders, yet establish a reasonable limit for their members’ liability. Further, the Participants represented that the proposal would not affect a member’s potential liability under an exchange’s disciplinary rule for engaging in a pattern or practice of trading through other markets under Section 8(c)(i)(C) of the Linkage Plan.

In the order approving the pilot, Commission stated that in the event the Participants chose to seek permanent approval of this limitation, the Participants must provide the Commission with a report (the “Report”) regarding data on the use of the exemption no later than 60 days before seeking permanent approval.⁷ In Amendment No. 8, the Participants represent that if they seek to make the limitations on trade-throughs permanent, they will submit the Report to the Commission no later than March 31, 2004.

With respect to the Report, the Participants represent in Amendment No. 8 that each Participant currently plans to submit individual Reports regarding the requested data as it pertains to their own exchange. They further represent that these Reports will detail the number of trade-throughs in the last seven minutes and the rest of the day, as well as the number and size of Satisfaction Orders that would have been filled absent the current exemption.⁸ In addition, the Participants represent that the Reports will provide information on the extent to which the exchange’s members hedge their options trading during the day as

⁶ See letter from Michael Simon, Senior Vice President and General Counsel, ISE, to Annette Nazareth, Director, Division of Market Regulation, Commission, dated November 19, 2002.

⁷ See *supra* note 4.

⁸ The Participants explain that, for example, if an exchange receives a Satisfaction Order for 50 contracts and only fills 10, 40 contracts “would have been filled absent this exemption.” To the extent the Participants have the relevant information, the Report will compare the size of Satisfaction Orders they could have sent in the last seven minutes of the trading day with the size of the actual fills. However, the ability to provide this data will depend on whether a particular Participant has the data on the size of the trade-throughs underlying the Satisfaction Orders, and not just the data on the size of the Satisfaction Orders themselves.

part of their overall risk management. Finally, the Participants represent that they will make every effort to provide specific information regarding hedging at the end of the trading day.

II. Implementation of the Plan Amendment

The Participants propose to make the proposed amendment to the Linkage Plan reflected in this filing effective when the Commission approves the amendment.

III. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed Linkage Plan amendment 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. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. 4-429. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed Linkage Plan amendment that are filed with the Commission, and all written communications relating to the proposed Linkage Plan amendment 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 filings will also be available for inspection and copying at the principal offices of the Amex, CBOE, ISE, Phlx, and PCX. All submissions should refer to File No. 4-429 be submitted by January 21, 2004.

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

Margaret H. McFarland,
Deputy Secretary.

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⁹ 17 CFR 200.30-3(a)(29).