

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

Form 19b-4

Proposed Rule Change by
Stock Clearing Corporation of Philadelphia

Pursuant to Rule 19b-4 under
the Securities Exchange Act of 1934

1. Text of the Proposed Rule Change

Stock Clearing Corporation of Philadelphia ("SCCP"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹, and Rule 19b-4thereunder², proposes to amend SCCP Rule 9, Margin Accounts ("Rule 9") by adding supplementary material that requires specifically that SCCP specialists and alternate specialists ("SCCP Margin Members") comply with certain procedures when engaging in "short settlement" transactions.³ These procedures require the review of any such "short settlement" transactions by the SCCP Board of Directors, or Operations Committee to determine whether additional margin will be required prior to settlement date from SCCP specialists and alternate specialists engaging in these transactions.

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit A. The following is the text of the proposal:

Inserted Text Underlined

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ On October [1], 2001, SCCP filed Amendment No. 1 to this rule change proposal, SR-SCCP-01-09 for the purpose of resubmitting this rule change proposal under Section 19b-4 under the Securities Exchange Act of 1934 ("Exchange Act") rather than Section 19(b)(3)(A) of the Act and Securities Exchange Act Rule 19b-4(f)(1) thereunder.

Margin Accounts**Rule 9. [No change]****Supplementary Material**

.01 (a) Each SCCP Margin Member must notify SCCP on trade date (T+0) of the execution of any short settlement transaction. A short settlement transaction occurs when, e.g., the Buy (Sell) side ("opening transaction") settles on T+1 or T+2, and Sell (Buy) side ("covering transaction") settles on T+2 or T+3 regular way.

(b) Each SCCP Margin Member shall have a "Net Settlement Cap" of two times their net capital as calculated pursuant to Securities Exchange Act Rule 15c3-1 and Philadelphia Stock Exchange Rule 703.

(c) SCCP shall notify each SCCP Margin Member of any settlement obligations to the National Securities Clearing Corporation ("NSCC") above the Net Settlement Cap on the morning following the short settlement transaction (T+1).

(d) A SCCP Margin Member must obtain approval from the SCCP Board of Directors, or Operations Committee to continue carrying any transactions having an aggregate value above the Net Settlement Cap. Such approval shall be at the sole discretion of the SCCP Board of Directors, or Operations Committee. A SCCP Margin Member may only carry a short settlement transaction with an aggregate value above the Net Settlement Cap until the clearance and settlement of such transaction with NSCC.

(e) The SCCP Board of Directors, or Operations Committee shall determine, in its sole discretion, whether SCCP will finance the short settlement transaction in excess of the Margin Member's Net Settlement Cap. If the SCCP Board of Directors, or Operations Committee determines that SCCP will not finance such short settlement transaction, the SCCP Margin Member shall be required to pay 100% of the settlement obligations to NSCC above the Net Settlement Cap.

(f) If SCCP does not receive full payment for the amount above the Net Settlement Cap by 3:00 P.M. Eastern Time on the day following the initial notification set forth in paragraph (c) above, i.e., (T+2), SCCP shall cease to act on behalf of such SCCP Margin Member. Additionally, the

SCCP Board of Directors, or Operations Committee shall have sole discretion to cancel all transactions that cause a short settlement pursuant to this Rule 9.

2. Procedures of the Self-Regulatory Organization

SCCP's Board of Directors approved the proposed rule change for filing with the Securities and Exchange Commission ("Commission") on July 25, 2001.

Questions and comments on the proposed rule change may be directed to Mark I. Salvacion, Director and Counsel, Philadelphia Stock Exchange, Inc. at (215) 496-5126 or Murray L. Ross, Vice President and Secretary, Philadelphia Stock Exchange, Inc. at (215) 496-5214.

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

Purpose

The purpose of the proposed rule change is to implement risk management procedures that would protect SCCP from undue credit risk and short settlement risk when a SCCP Margin Member engages in a "short settlement" transaction. A short settlement transaction occurs when a SCCP Margin Member executes a trade with a short settlement date (for example, the Buy (Sell) side of the trade (the "opening transaction") settles on T+1 or T+2 and the Sell (Buy) side of the trade (the "covering transaction") settles on T+2 or T+3 regular way. In the absence of

explicit risk management procedures, SCCP may face unlimited credit risk with its lending institutions and short settlement risk with the National Securities Clearing Corporation ("NSCC") in connection with its clearance and settlement of transactions through SCCP's Omnibus Clearing and Settlement Account at NSCC.

SCCP provides margin services to SCCP Margin Members in accordance with Rule 9, SCCP's by-laws and procedures, and Regulation T of the Board of Governors of the Federal Reserve System. Pursuant to Rule 9, SCCP guarantees the cash settlement obligations of its Omnibus Clearance and Settlement Account to NSCC.

If a SCCP Margin Member executes a short settlement transaction, SCCP is obliged by NSCC rules and procedures to finance the covering transaction until settlement on T+2 or T+3, because the SCCP Margin Member has already received the proceeds from the opening transaction on T+1 or T+2, respectively.⁴ This creates an additional cash settlement obligation from SCCP to NSCC, which could be larger than the executing Margin Member's capital deposit with SCCP in the case of large basket transactions, and imposes additional market risk on SCCP should the securities decline in value prior to settlement. If SCCP does not

⁴ See NSCC Rule 10, Section 4 and Rule 12, Section 1.

have access to sufficient available funds through its existing credit facilities with its lending institutions, a short settlement transaction thereby exposes SCCP to potentially large credit risk resulting from the lack of available funds to cover the transaction. Additionally, if a SCCP Margin Member executes a short settlement transaction and SCCP cannot meet the cash settlement obligation to NSCC, under NSCC's rules and procedures NSCC is authorized to cease to act on SCCP's behalf and/or buy-in the open positions in the Omnibus Clearance and Settlement Account.⁵ Such a risk to SCCP is called "short settlement risk" which includes exposure to market risk from a decrease in value of the securities during the financing period.

Rule 9 provides, in part, that SCCP will provide margin accounts for SCCP Margin Members that clear and settle their transactions through SCCP's Omnibus Clearance and Settlement Account. Pursuant to Rule 9, SCCP may issue margin calls to any SCCP Margin Member when the margin requirement exceeds the Margin Member's account equity. In addition, Rule 9 provides that SCCP may require adequate assurances or additional margin payable in Federal funds (in addition to minimum margin thresholds) in order to

⁵ See NSCC Rules 18 and 46.

protect SCCP in issues deemed by SCCP to warrant additional protection.

Rule 9 provides further that any failure by a SCCP Margin Member to meet a margin call shall subject such delinquent SCCP Margin Member to the Late Margin Call Payment Fine Schedule contained in the rule and to SCCP Rule 22, which governs disciplinary proceedings and penalties. Moreover, pursuant to Rule 9 and SCCP Rule 15, SCCP may cease to act for the account of such delinquent SCCP Margin Member and SCCP will retain a lien on all such SCCP Margin Member's accounts and securities therein to satisfy any capital deficiency of such Margin Member.

SCCP proposes to amend Rule 9 by adding supplementary material that expressly shifts the credit risk and the short settlement risk from short settlement transactions from SCCP to the SCCP Margin Member. The proposed supplementary material sets forth procedures that require a SCCP Margin Member to notify SCCP on trade date (T+0) whenever the SCCP Margin Member executes a short settlement transaction. The purpose of this notification is to put SCCP on notice that a short settlement transaction has been executed, to allow SCCP to verify the SCCP Margin Member's net capital and "Net Settlement Cap" (defined below) and to allow SCCP to calculate any net settlement obligations to

NSCC. The proposed supplementary material establishes that there shall be a cap on net settlement obligations undertaken by any SCCP Margin Member of two (2) times net capital ("Net Settlement Cap"). On the day following trade date (T+1) SCCP shall notify the SCCP Margin Member of any settlement obligations to NSCC exceeding the Net Settlement Cap and whether the SCCP Board of Directors, or Operations Committee decides, in its sole discretion, that SCCP shall finance the increased settlement obligations on behalf of the SCCP Margin Member.

As set forth in the proposed Commentary to SCCP Rule 9, a SCCP Margin Member must obtain approval from the SCCP Board of Directors, or Operations Committee to continue carrying any transactions having an aggregate value above the Net Settlement Cap. The SCCP Board of Directors, or Operations Committee, as the case may be, has the sole discretion to approve whether a Margin Member may continue to carry any transactions that exceed the Net Settlement Cap. A SCCP Margin Member may only carry a short settlement transaction with an aggregate value above the Net Settlement Cap until the clearance and settlement of such transaction with NSCC. The SCCP Board of Directors, or Operations Committee shall determine, in its sole discretion, whether SCCP will finance the short settlement

transaction in excess of the Margin Member's Net Settlement Cap. If the SCCP Board of Directors, or Operations Committee, as the case may be, determines that SCCP will not finance such short settlement transaction, the SCCP Margin Member shall be required to pay 100% of its settlement obligations to SCCP above the Net Settlement Cap. In this manner, SCCP will satisfy its obligations to NSCC for the additional clearing funds caused by a net settlement transaction.

The SCCP Margin Member shall have until 3:00 p.m. Eastern Time on the date following the initial notification (T+2) to provide sufficient funds to cover 100% of the settlement obligations above the SCCP Margin Member's Net Settlement Cap. The Net Settlement Cap related provisions are intended to require any SCCP Margin Member who executes a short settlement transaction to bear the credit risk and settlement risk from such transaction and to decrease associated risks to SCCP.

Finally, the proposed supplementary material reminds SCCP Margin Members that SCCP has the authority to initiate a disciplinary proceeding or to cease to act on behalf of such SCCP Margin Member if sufficient funds are not provided by the deadlines set forth in the proposed

Commentary to SCCC Rule 9. These provisions currently appear in SCCC Rules 9 and 15.

It should be noted that no other aspects of Rule 9 are being modified; rather, Rule 9 is being specifically interpreted to (i) require notification of SCCC by the SCCC Margin Member in the event the SCCC Margin Member executes a short settlement transaction; (ii) require the SCCC Margin Member to finance 100% of the net settlement obligation in the event SCCC's Board of Directors, or Operations Committee, as the case may be, elects not to finance the opening transaction; and (iii) clarify that SCCC is authorized to bring a disciplinary proceeding against the SCCC Margin Member and to cease to act on behalf of such SCCC Margin Member if the firm continues to carry the short settlement transaction without providing sufficient capital to cover the Margin Member's net settlement obligation.

Statutory Basis

SCCP believes that the proposed rule change should facilitate compliance with SCCC's rules regarding the carrying of securities in margin accounts and Regulation T and is, therefore, consistent with Section 17A(b)(3)(A) of the Act and specifically with Section 17A(b)(3)(F) of the Act in that it is designed to promote the prompt and

accurate settlement of securities transactions and to remove impediments to and perfect the mechanism of a national system in that the proposed supplementary material shall serve to protect SCCP, its members, investors and the public interest.

4. Self-Regulatory Organization's Statement on Burden on Competition

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

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

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

SCCP does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

Not applicable.

8. Proposed Rule Change Based on Rules or By-Laws of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based upon the rules or by-laws of another self-regulatory organization or the Commission. The proposed rule change is consistent in principle with NSCC Procedure XVI(B) and Boston Stock Exchange Clearing Corporation Rule III, Section 4(e).

9. Exhibits

- A. Notice of proposed rule change for publication in
the Federal Register.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Stock Clearing Corporation of Philadelphia has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

STOCK CLEARING CORPORATION OF PHILADELPHIA

By: _____

Murray L. Ross
Vice President & Secretary

Date: _____

SECURITIES AND EXCHANGE COMMISSION

(Release No. _____ ; File No. SR-SCCP-2001-09)

Self-Regulatory Organizations; Notice of Filing of Amendment No. 2 to the Proposed Rule Change by Stock Clearing Corporation of Philadelphia ("SCCP") to Add Supplementary Material to SCCP Rule 9, Margin Accounts ("Rule 9"), to Establish Procedures for Managing Risk from Short Settlement Transactions

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder², notice is hereby given that on August 30, 2001, the Stock Clearing Corporation of Philadelphia ("SCCP") 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 self-regulatory organization. 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

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, and Rule 19b-4 thereunder, SCCP proposes to amend SCCP Rule 9, Margin Accounts ("Rule 9") by adding supplementary material that requires SCCP specialists and alternate specialists ("SCCP Margin

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

Members") to comply with certain procedures when engaging in "short settlement" transactions.³ These procedures require the review of any such "short settlement" transactions by the SCCP Board of Directors, or Operations Committee to determine whether additional margin will be required prior to settlement date from SCCP specialists and alternate specialists engaging in these transactions.

The text of the proposed rule change follows:

Inserted Text Underlined

Margin Accounts

Rule 9. [No change.]

Supplementary Material

.01 (a) Each SCCP Margin Member must notify SCCP on trade date (T+0) of the execution of any short settlement transaction. A short settlement transaction occurs when, e.g., the Buy (Sell) side ("opening transaction") settles on T+1 or T+2, and Sell (Buy) side ("covering transaction") settles on T+2 or T+3 regular way.

(b) Each SCCP Margin Member shall have a "Net Settlement Cap" of two times their net capital as calculated pursuant to Securities Exchange Act Rule 15c3-1 and Philadelphia Stock Exchange Rule 703.

(c) SCCP shall notify each SCCP Margin Member of any settlement obligations to the National Securities Clearing Corporation ("NSCC") above the Net Settlement Cap on the morning following the short settlement transaction (T+1).

³ On October [1], 2001, SCCP filed Amendment No. 1 to this rule change proposal, SR-SCCP-01-09 for the purpose of resubmitting this rule change proposal under Section 19b-4 under the Securities Exchange Act of 1934 ("Exchange Act") rather than Section 19(b)(3)(A) of the Act and Securities Exchange Act Rule 19b-4(f)(1) thereunder.

(d) A SCCP Margin Member must obtain approval from the SCCP Board of Directors, or Operations Committee to continue carrying any transactions having an aggregate value above the Net Settlement Cap. Such approval shall be at the sole discretion of the SCCP Board of Directors, or Operations Committee. A SCCP Margin Member may only carry a short settlement transaction with an aggregate value above the Net Settlement Cap until the clearance and settlement of such transaction with NSCC.

(e) SCCP shall determine whether it will finance the short settlement transaction in excess of the Net Settlement Cap. If SCCP Board of Directors, or Operations Committee determines that it will not finance such short settlement transaction, the SCCP Margin Member shall be required to pay 100% of the settlement obligations to NSCC above the Net Settlement Cap.

(f) If SCCP does not receive full payment for the amount above the Net Settlement Cap by 3:00 P.M. Eastern Time on the day following the initial notification set forth in paragraph (c) above (T+2), SCCP shall cease to act on behalf of such SCCP Margin Participant. Additionally, the SCCP Board of Directors, or Operations Committee shall have sole discretion to cancel all transactions that cause a short settlement pursuant to this Rule 9.

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

In its filing with the Commission, the self-regulatory organization 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 self-regulatory organization 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

The purpose of the proposed rule change is to implement risk management procedures that would protect SCCP from undue credit risk and short settlement risk when a SCCP Margin Member engages in a "short settlement" transaction. A short settlement transaction occurs when a SCCP Margin Member executes a trade with a short settlement date (for example, the Buy (Sell) side of the trade (the "opening transaction") settles on T+1 or T+2 and the Sell (Buy) side of the trade (the "covering transaction") settles on T+2 or T+3 regular way. In the absence of explicit risk management procedures, SCCP may face unlimited credit risk with its lending institutions and short settlement risk with the National Securities Clearing Corporation ("NSCC") in connection with its clearance and settlement of transactions with NSCC through SCCP's Omnibus Clearing and Settlement Account with NSCC.

SCCP provides margin services to SCCP Margin Members in accordance with Rule 9, SCCP's by-laws and procedures, and Regulation T of the Board of Governors of the Federal Reserve System. Pursuant to Rule 9, SCCP guarantees the cash settlement obligations of its Omnibus Clearance and Settlement Account to NSCC.

If a SCCP Margin Member executes a short settlement transaction, SCCP is obliged by NSCC rules and procedures to finance the covering transaction until settlement on T+2 or T+3, because the SCCP Margin Member has already received the proceeds from the opening transaction on T+1 or T+2, respectively.² This creates an additional cash settlement obligation from SCCP to NSCC, which could be larger than the executing Margin Member's capital deposit with SCCP in the case of large basket transactions, and imposes additional market risk on SCCP should the securities decline in value prior to settlement. If SCCP does not have access to sufficient available funds through its existing credit facilities with its lending institutions, a short settlement transaction thereby exposes SCCP to potentially large credit risk resulting from the lack of available funds to cover the transaction. Additionally, if a SCCP Margin Member executes a short settlement transaction and SCCP cannot meet the cash settlement obligation to NSCC, under NSCC's rules and procedures NSCC is authorized to cease to act on SCCP's behalf and/or buy-in the open positions in the Omnibus Clearance and Settlement Account.³ Such a risk to SCCP is called "short settlement risk" which includes exposure to market risk

² See NSCC Rule 10, Section 4 and Rule 12, Section 1.

from a decrease in value of the securities during the financing period.

Rule 9 provides, in part, that SCCP will provide margin accounts for SCCP Margin Members that clear and settle their transactions through SCCP's Omnibus Clearance and Settlement Account. Pursuant to Rule 9, SCCP may issue margin calls to any SCCP Margin Member when the margin requirement exceeds the Margin Member's account equity. In addition, Rule 9 provides that SCCP may require adequate assurances or additional margin payable in Federal funds (in addition to minimum margin thresholds) in order to protect SCCP in issues deemed by SCCP to warrant additional protection.

Rule 9 provides further that any failure by a SCCP Margin Member to meet a margin call shall subject such delinquent SCCP Margin Member to the Late Margin Call Payment Fine Schedule contained in the rule and to SCCP Rule 22, which governs disciplinary proceedings and penalties. Moreover, pursuant to Rule 9 and SCCP Rule 15, SCCP may cease to act for the account of such delinquent SCCP Margin Member and SCCP will retain a lien on all such SCCP Margin Member's accounts and securities therein to satisfy any capital deficiency of such Margin Member.

³ See NSCC Rules 18 and 46.

SCCP proposes to amend Rule 9 by adding supplementary material that expressly shifts the credit risk and the short settlement risk from short settlement transactions from SCCP to the SCCP Margin Member. The proposed supplementary material sets forth procedures that require a SCCP Margin Member to notify SCCP on trade date (T+0) whenever the SCCP Margin Member executes a short settlement transaction. The purpose of this notification is to put SCCP on notice that a short settlement transaction has been executed, to allow SCCP to verify the SCCP Margin Member's net capital and Net Settlement Cap (defined below) and to allow SCCP to calculate any net settlement obligations to NSCC. The proposed supplementary material establishes that there shall be a cap on net settlement obligations undertaken by any SCCP Margin Member of two (2) times net capital ("Net Settlement Cap"). On the day following trade date (T+1) SCCP shall notify the SCCP Margin Member of any settlement obligations to NSCC exceeding the Net Settlement Cap and whether the SCCP Board of Directors, or Operations Committee decides, in its sole discretion, that SCCP shall finance the increased settlement obligations on behalf of the SCCP Margin Member.

As set forth in the proposed Commentary to SCCP Rule 9, a SCCP Margin Member must obtain approval from the SCCP

Board of Directors, or Operations Committee to continue carrying any transactions having an aggregate value above the Net Settlement Cap. The SCCP Board of Directors, or Operations Committee, as the case may be, has the sole discretion to approve whether a Margin Member may continue to carry any transactions that exceed the Net Settlement Cap. A SCCP Margin Member may only carry a short settlement transaction with an aggregate value above the Net Settlement Cap until the clearance and settlement of such transaction with NSCC. The SCCP Board of Directors, or Operations Committee shall determine, in its sole discretion, whether SCCP will finance the short settlement transaction in excess of the Margin Member's Net Settlement Cap. If the SCCP Board of Directors, or Operations Committee, as the case may be, determines that SCCP will not finance such short settlement transaction, the SCCP Margin Member shall be required to pay 100% of its settlement obligations to SCCP above the Net Settlement Cap. In this manner, SCCP will satisfy its obligations to NSCC for the additional clearing funds caused by a net settlement transaction.

The SCCP Margin Member shall have until 3:00 p.m. Eastern Time on the date following the initial notification (T+2) to provide sufficient funds to cover 100% of the

settlement obligations above the SCCP Margin Member's Net Settlement Cap. The Net Settlement Cap related provisions are intended to require any SCCP Margin Member who executes a short settlement transaction to bear the credit risk from such transaction and to decrease associated risks to SCCP. Finally, the proposed supplementary material reminds SCCP Margin Members that SCCP has the authority to initiate a disciplinary proceeding or to cease to act on behalf of such SCCP Margin Member if sufficient funds are not provided by the deadlines set forth in the proposed Commentary to SCCP Rule 9. These provisions currently appear in SCCP Rules 9 and 15.

It should be noted that no other aspects of Rule 9 are being modified; rather, Rule 9 is being specifically interpreted to (i) require notification of SCCP by the SCCP Margin Member in the event the SCCP Margin Member executes a short settlement transaction; (ii) require the SCCP Margin Member to finance 100% of the net settlement obligation in the event SCCP's Board of Directors, or Operations Committee, as the case may be, elects not to finance the opening transaction; and (iii) clarify that SCCP is authorized to bring a disciplinary proceeding against the SCCP Margin Member and to cease to act on behalf of such SCCP Margin Member if the firm continues to

carry the short settlement transaction without providing sufficient capital to cover the Margin Member's net settlement obligation.

Statutory Basis

SCCP believes that the proposed rule change should facilitate compliance with SCCP's rules regarding the carrying of securities in margin accounts and Regulation T and is, therefore, consistent with Section 17A(b)(3)(A) of the Act and specifically with Section 17A(b)(3)(F) of the Act in that it is designed to promote the prompt and accurate settlement of securities transactions and to remove impediments to and perfect the mechanism of a national system in that the proposed supplementary material shall serve to protect SCCP, its members, investors and the public interest.

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

SCCP 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

No written comments were either solicited or received.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days or such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which SCCP consents, the Commission will:

(A) by order approve such proposed rule change, or,

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

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. Copies

of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-SCCP-2001-09 and should be submitted by [insert 21 days from date of publication].

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

Jonathan G. Katz
Secretary