with section 15A(b)(6)²⁶ of the Act, which requires that the NASD's rules be designed, among other things, to remove impediments to and perfect the mechanism of a free and open market and a national market system and to promote just and equitable principles of trade.

The Commission finds that the continuation of the Short Sale Rule Pilot and the continued suspension of the PMM standards will maintain the status quo while the Commission is considering amending Rule 10a–1 of the Act.²⁷ This extension of the pilot and continued suspension of the PMM standards is subject to modification or revocation should the Commission amend Rule 10a–1 of the Act ²⁸ in a manner as to deem the extension or suspension unnecessary or in conflict with any adopted amendments.²⁹

Accordingly, the Commission finds good cause for approving the extension of the Short Sale Rule Pilot and the suspension of existing PMM standards prior to the 30th day after the date of publication of notice of the filing in the **Federal Register**. It could disrupt the Nasdaq market and confuse market participants to reintroduce the previous PMM standards while new PMM standards are being developed, and while the Commission considers amending Rule 10a–1 of the Act.³⁰

It is therefore ordered, pursuant to section 19(b)(2) of the Act,³¹ that Amendment Nos. 14 and 15 to the proposed rule change, SR-NASD–98–26, which extends the NASD Short Sale Rule Pilot through December 15, 2003, and suspends the PMM standards through December 15, 2003, is approved on an accelerated basis.³²

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³³

Margaret H. McFarland,

Deputy Secretary

[FR Doc. 03–15773 Filed 6–20–03; 8:45 am] BILLING CODE 8010–01–P

²⁹ Absent an exemption, Rule 10a–1 under the Act would apply to Nasdaq on Commission approval of its exchange registration.

³¹15 U.S.C. 78s(b)(2).

³² In approving Amendment Nos. 14 and 15, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(fl.

33 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–48042; File No. SR–NASD– 2003–91]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to a New Qualification Examination: General Securities Principal Sales Supervisor Module (Series 23)

June 17, 2003.

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 5, 2003, the National Association of Securities Dealers, Inc. ("NASD"), filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD. NASD filed the proposal pursuant to section 19(b)(3)(A) of the Act,³ and Rule 19b-4(f)(6) thereunder,⁴ which renders the proposal effective upon filing with the Commission.⁵ 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

NASD proposes to establish the General Securities Principal Sales Supervisor Module ("Series 23") examination program, and is filing with the Commission the selection specifications and study outline for the Series 23 examination.⁶ NASD is proposing the Series 23 examination program in connection with a change to the New York Stock Exchange, Inc. ("NYSE") qualification requirements whereby the NYSE recognized the NASD's General Securities Principal

 5 5NASD provided the Commission with written notice of its intent to file the proposed rule change on May 28, 2003. See Rule 19b–4(f)(6)(iii), 17 CFR 240.19b4(f)(6)(iii).

⁶6 Based upon instruction from Commission staff, NASD is submitting SR–NASD–2003–91 for immediate effectiveness pursuant to section 19(b)(3)(A) of the Act and Rule 19b–4(f)(6) thereunder, and is not filing the question bank for Commission review. *See* letter to Alden S. Adkins, Senior Vice President and General Counsel, NASD Regulation, from Belinda Blaine, Associate Director, Division of Market Regulation, SEC, dated July 24, 2000. The question bank, which is a subset of the existing Series 24 question bank, is available for Commission review.

("Series 24") examination program as an acceptable qualification alternative to the General Securities Sales Supervisor ("Series 9/10") examination program for supervisory persons whose duties do not include the supervision of options or municipal securities sales activity.7 Accordingly, NASD is proposing to accept the Series 9/10 examination as an acceptable qualification alternative to the Series 24 examination for associated persons who are required to register and qualify as Series 24 principals with NASD, provided that such persons also pass the proposed Series 23 examination, which covers material from the Series 24 examination not otherwise covered under the Series 9/10 examination. NASD is not proposing any textual changes to the By-Laws, Schedules to the By-Laws, or Rules of NASD.

A description of the Series 23 examination is included in the study outline that was attached to the proposed rule change. Additional information on the examination is included in the Series 23 selection specifications, which NASD omitted from this filing, but has submitted with a request for confidential treatment under separate cover to the Commission's Secretary pursuant to Rule 24b–2 under the Act.⁸

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

In its filing with the Commission, NASD 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. NASD 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

On October 9, 2002, the SEC approved a proposed rule change to NYSE Rule 342 ("Offices—Approval, Supervision and Control") that recognized NASD's Series 24 examination as an acceptable qualification alternative to the Series

²⁶ 15 U.S.C. 78*o*-3(b)(6).

²⁷ 17 CFR 240.10a–1.

²⁸ Id.

³⁰ 17 CFR 240.10a–1.

¹15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³15 U.S.C. 78s(b)(3)(A).

⁴¹⁷ CFR 240.19b-4(f)(6).

 ⁷ 7 See Securities Exchange Act Release No.
46631 (October 9, 2002), 67 FR 64187 (October 17, 2002) (SR–NYSE–2002–24)(approval order).

⁸ 817 CFR 240.24b–2 (allowing the nondisclosure of information filed with the Commission and with any exchange).

9/10 examination for supervisory persons whose duties do not include the supervision of options or municipal securities sales activity.⁹ In an effort to establish reciprocal qualification standards, NASD is proposing to accept the Series 9/10 examination in lieu of the Series 24 examination for associated persons who are required to register and qualify as Series 24 principals with NASD, provided that such persons pass the newly-developed Series 23 qualification examination in addition to passing the Series 9/10 examination.

Pursuant to section 15A(g)(3) of the Act,¹⁰ which requires NASD to prescribe standards of training, experience, and competence for persons associated with NASD members, NASD has developed the Series 23 examination program to establish that persons associated with NASD members who have passed the Series 9/10 examination and who are seeking to register and qualify with NASD as Series 24 principals have attained specified levels of competence and knowledge.

The Series 23 examination is a limited qualification examination that covers those subject matters that are covered on the Series 24 examination, but not included on the Series 9/10 examination. The Series 23 examination program tests a candidate's knowledge of securities industry rules and regulations pertaining to the supervision of investment banking, securities markets and trading, as well as financial responsibility requirements. A committee of industry representatives that oversees the Series 24 examination program, together with NASD staff, compared the subject matters covered on the Series 9/10 and Series 24 examinations to determine the topics that should be extracted from the Series 24 examination to create the Series 23 examination program. The committee, including NASD staff, developed the selection specifications, study outline, and question bank for the Series 23 examination.

The Series 23 examination will be divided into five topical sections. The topical sections and the number of questions designated to each such section are as follows: Supervision of Investment Banking Activities (25); Supervision of Trading and Market Making Activities (29); Supervision of Brokerage Office Operations (16); Sales Supervision, General Supervision of Employees, Regulatory Framework of NASD (19); and Compliance with Financial Responsibility Rules (11). The selection specifications for the Series 23 examination, which NASD has omitted from this filing and has submitted with a request for confidential treatment under separate cover to the Commission's Secretary pursuant to Rule 24b–2 under the Act,¹¹ describe additional confidential information regarding the examination.

The Series 23 examination will be a $2^{1/2}$ -hour, 100-question examination with 70% as the passing score.

2. Statutory Basis

NASD believes that the proposed rule change is consistent with the provisions of sections 15A(b)(6)¹² and 15A(g)(3) of the Act,¹³ which authorize NASD to prescribe standards of training, experience, and competence for persons associated with NASD members.

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

NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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 proposed rule change does not:

(i) Significantly affect the protection of investors or the public interest;

(ii) impose any significant burden on competition; and

(iii) become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, it has become effective pursuant to section 19(b)(3)(A) of the Act ¹⁴ and Rule 19b–4(f)(6) thereunder.¹⁵ 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 proposal 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 NASD. All submissions should refer to file number SR-NASD-2003-91 and should be submitted by July 14, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. $^{16}\,$

Margaret H. McFarland.

Deputy Secretary. [FR Doc. 03–15775 Filed 6–20–03; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–48029; File No. SR–PCX– 2002–25]

Self-Regulatory Organizations; Order Granting Approval of Proposed Rule Change by the Pacific Exchange, Inc., To Eliminate the Lead Market Maker Concentration Limit of 15% of the Issues Traded on the Exchange's Options Floor

June 13, 2003.

On April 22, 2002, the Pacific Exchange, Inc. ("PCX" 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 eliminate the concentration limit for the number of issues that a Lead Market Maker ("LMM") on the Exchange may be allocated. Notice of the proposed rule change was published

 ⁹ 9 See Securities Exchange Act Release No.
46631 (October 9, 2002), 67 FR 64187 (October 17, 2002) (SR–NYSE–2002–24) (approval order).
¹⁰ 15 U.S.C. 780–3(g)(3).

¹¹ 17 CFR 240.24b–2.

¹²15 U.S.C. 780–3(b)(6).

¹³ 15 U.S.C. 780–3(g)(3).

¹⁴ 15 U.S.C. 78s(b)(3)(A).

¹⁵ 17 CFR 240.19b–4(f)(6).

^{16 17} CFR 200.30-3(a)(12).

^{1 15} U.S.C. 78s(b)(1).

^{2 17} CFR 240.19b-4.