

*(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change*

DTC's Reorg Deposits service enables participants to deposit at DTC certificates for securities that are the subject of a reorganization activity after the reorganization and to have DTC collect the entitlements on the participants' behalf. Cash and security entitlements are credited to the participants' accounts upon DTC's receipt of the entitlements. Participants sometimes receive affidavits of loss instead of certificates from their customers for securities that are the subject of a reorganization activity, and the participants must bear the operational burden of presenting the affidavits of loss to the issuer's agent and of collecting the entitlements. Beginning April 15, 2003, the proposed rule change will allow participants to submit through DTC's Reorg Deposits service affidavits of loss relating to the securities eligible for DTC's Reorg Deposits service and to have DTC collect the entitlements on their behalf. The regular Reorg Deposits service fee will be charged for these deposits. In addition, in the prior Reorg Deposits service rule filing, participants could deposit certificates for securities at DTC that were subject of a reorganization activity only up to two years after the reorganization activity. DTC will no longer apply this two year limit after the reorganization activity to any deposits in the Reorg Deposits service including deposits of certificates or submissions of affidavits of loss.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder applicable to DTC because it will contribute to efficiencies in the handling of affidavits evidencing ownership of lost securities that are the subject of reorganization activities. The proposed rule change, which enhances DTC's existing reorganization and deposit services, will be implemented consistently with the safeguarding of securities and funds in DTC's custody or control or for which it is responsible.

*(B) Self-Regulatory Organization's Statement on Burden on Competition*

DTC perceives no adverse impact on competition by reason of the proposed rule change.

*(D) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

Written comments from DTC participants or others have not been solicited or received on the proposed rule change.

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

The foregoing rule change has become effective pursuant to section 19(b)(3)(A)(iii) of the Act<sup>4</sup> and Rule 19b-4(f)(4)<sup>5</sup> promulgated thereunder because the proposal effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of DTC or persons using the service. At any time within sixty 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 the proposed rule changes 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-comment@sec.gov](mailto:rule-comment@sec.gov). All comment letters should refer to File No. SR-STC-2003-05. This file number should be included on the subject line if e-mail is used. To help us process and review comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. 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

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>5</sup> 17 CFR 240.19b-4(f)(4).

the Commission's Public Reference Section 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-DTC-2003-05 and should be submitted by June 23, 2003.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Jill M. Peterson,

Assistant Secretary.

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-47919; File No. SR-NASD-2003-86]

**Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Regarding Fees for the Reporting of SuperMontage Transactions through the Automated Confirmation Transaction Service ("ACT")**

May 23, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4<sup>2</sup> thereunder, notice is hereby given that on May 22, 2003, the National Association of Securities Dealers, Inc. ("NASD"), through its subsidiary, The Nasdaq Stock Market, Inc. ("Nasdaq"), submitted to 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 Nasdaq. Nasdaq has designated this proposal as one establishing or changing a due, fee or other charge imposed by the self-regulatory organization under section 19(b)(3)(A)(ii) of the Act<sup>3</sup> and Rule 19b-4(f)(2) thereunder.<sup>4</sup> 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**

Nasdaq proposes to amend the fee schedule associated with the use of

<sup>6</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>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

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