

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

(A) by order approve the 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549. 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 at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-96-05 and should be submitted by April 29, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-37056; File No. SR-NYSE-96-06]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by New York Stock Exchange, Inc., Relating to Continued Listing Standards for Specialized Securities

April 1, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. § 78s(b)(1), notice is hereby given that on March 18, 1996, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with 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 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

The NYSE is proposing amendments to its continued listing criteria, contained in Paragraphs 801 and 802.01 of the Exchange's Listed Company Manual ("Manual"). The amendments contain continue listing criteria for certain "specialized securities": stock warrants; foreign currency warrants and currency index warrants; stock index warrants; contingent value rights ("CVRs"); other securities; and equity-linked debt securities ("ELDS").

The text of the proposed rule change is available at the Exchange and the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and 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 test 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

1. Purpose

Over the past several years the Exchange has adopted listing standards

for specialized securities. These standards are contained in various sections of Paragraph 703 of the Manual. Although the Exchange has adopted uniform listing standards for these securities, there currently are no corresponding uniform continued listing criteria. The purpose of the proposed rule change is to adopt such uniform criteria.¹

The current listing standards for specialized securities require one million shares outstanding, 400 holders, \$4 million aggregate market value and a minimum life of one year.² The proposed continued listing criteria would require 100,000 publicly-held shares, 100 holders and an aggregate market value of \$1 million. The proposed continued listing criteria also would require that for securities that are related to other securities, such as warrants and CVRs, the related security must remain listed. For ELDS, the issuer of the linked security must remain subject to last sale reporting obligations and remain trading in a market in which there is last sale reporting, again paralleling the original listing standards.³ However, if the related or linked securities are delisted for violation of the Exchange's "Corporate Responsibility" criteria in Section 3 of the Manual, the exchange will also delist any related specialized securities.⁴

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designed to prevent fraudulent and manipulative acts and practices and to perfect the mechanism of a free and open market.

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

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

¹ Although there currently are continued listing criteria for warrants, those criteria do not conform to the current warrant listing standards. Therefore, the proposed rule change would delete the current warrant continued listing criteria and include warrants within the new uniform criteria.

² There are additional standards for certain of these securities. For example, ELDS must have a term of two to seven years (two to three years for non-U.S. securities).

³ Telephone conversation between Michael Simon, Milbank, Tweed, Hadley & McCloy, and Jennifer S. Choi, Attorney, Division of Market Regulation, SEC, on April 1, 1996.

⁴ The proposed rule change also would eliminate the delisting criteria relating to creation of a class of non-voting common stock. These criteria are no longer appropriate because the Exchange currently has listing criteria specifically addressing non-voting common stock. See Paragraph 313.00(B) of the Manual.

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

(A) by order approve the 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549. 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 at the commission's Public Reference Section, 450 Fifth Street NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-96-06 and should be submitted by April 29, 1996.

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

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-37057; File No. SR-NYSE-96-07]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by New York Stock Exchange, Inc., Relating to Continued Listing Criteria for Capital or Common Stock

April 1, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 18, 1996, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with 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 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

The NYSE proposes to amend Paragraph 802.00 of the Exchange's Listed Company Manual ("Manual"). Paragraph 802.00 contains the criteria for continued listing on the Exchange.

The text of the proposed rule change is available at the Exchange and the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and 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

1. Purpose

The proposed rule change amends the Exchange's continued listing criteria. In 1995 the Exchange amended its initial listing standards to include an alternate method by which a company could meet the "demonstrated earnings"

listing standard.¹ Specifically, that standard was based on a company's "adjusted net income," rather than on a company's "income before federal income taxes and under competitive conditions." That filing also increased the listing standard regarding aggregate market value of publicly-held shares and added a new liquidity standard of 500 total stockholders and average monthly trading volume of 1,000,000 shares. In approving that filing, the Commission noted that the Exchange committed to propose corresponding continued listing criteria.²

This filing proposes two changes to the NYSE's continued listing criteria: the adoption of new continued listing criteria to parallel the adjusted net income listing standard; and the amendment of the current continued listing criteria to reflect the 1995 changes to the initial listing standards.

Adjusted Net Income Continued Listing Criteria. The Exchange is proposing continued listing criteria that parallel the new adjusted net income listing standard: a company that listed pursuant to that standard would be subject to possible delisting if (1) Its average adjusted net income for the most recent three years is less than \$6,500,000 and (2) the aggregate market value of the company's shares falls below \$25,000,000. These new criteria would be available to companies that either listed pursuant to the adjusted net income standards or that are currently valued on a "cash flow" basis.

Earnings and Liquidity Continued Listing Criteria. The second change to the Exchange's continued listing criteria conforms those criteria to the new earnings and liquidity listing standards. A company would be subject to possible delisting if the aggregate market value of its common stock is less than \$8,000,000 (up from \$5,000,000). A company also would be subject to delisting if: (1) The company has less than 400 total stockholders; or (2) if there are less than 1,200 total stockholders and the average monthly trading volume in the common stock is less than 100,000 for the most recent 12 months. This means that if a company meets the trading volume standard of 100,000 shares a month it would be subject to possible delisting if there are less than 400 total stockholders; if a company does not have such trading volume it would be subject to possible

¹ See Securities Exchange Act Release No. 35571 (Apr. 5, 1995), 60 FR 18649 (Apr. 12, 1995) (order approving proposed rule change relating to domestic listing standards).

² See Securities Exchange Act Release No. 35571 n. 19 (Apr. 5, 1995), 60 FR 18649 (Apr. 12, 1995).