

[Release No. 34-37288; File No. SR-Amex-96-16]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Amendments to Rule 170 Pertaining to Specialists' Liquidating Transactions

June 7, 1996.

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 April 30, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II 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 Amex requests permanent approval of a pilot program that amends Exchange Rule 170 to permit a specialist to effect a liquidating transaction on a zero minus tick, in the case of a "long" position, or zero plus tick, when covering a "short" position, without Floor Official approval.³ The pilot program also amends Exchange Rule 170 to set forth the affirmative action that specialists are required to take subsequent to effecting various types of liquidating transactions.

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 III 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

On July 21, 1995, the Commission approved a one-year extension of a pilot program that amends Exchange Rule 170 to permit a specialist to effect a liquidating transaction on a zero minus tick, in the case of a "long" position, or a zero plus tick, when covering a "short" position, without Floor Official approval.⁴ The amendments also set forth the affirmative action that specialists are required to take subsequent to effecting various types of liquidating transactions.

During the course of the pilot program, the Exchange has monitored compliance with the requirements of the Rule, and the Amex's findings in this regard have been forwarded to the Commission under separate cover. The Exchange believes the amendments have provided specialists with flexibility in liquidating specialty stock positions in order to facilitate their ability to maintain fair and orderly markets, particularly during unusual market conditions. In addition, the specialist's concomitant obligation to participate as dealer on the opposite side of the market after a liquidating transaction has been strengthened. The Exchange is therefore proposing approval of the amendments to Exchange Rule 170.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act⁵ in general and furthers the objectives of Section 6(b)(5)⁶ in particular in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market, and, in general, protect investors and the public interest. The proposed rule change also is consistent with Section 11(b) of the Act⁷ which allows exchanges to promulgate rules relating to specialists in order to maintain fair and orderly markets.

⁴ Securities Exchange Act Release No. 36014 (July 21, 1995), 60 FR 38870. The Commission originally approved the pilot program in Securities Exchange Act Release No. 33957 (Apr. 22, 1994), 59 FR 22188 ("1994 Approval Order"). On April 21, 1995, the Commission granted a three month extension to the pilot program, ending on July 21, 1995. Securities Exchange Act Release No. 35635 (Apr. 21, 1995), 60 FR 20780.

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78k(b).

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

The proposed rule change will impose no 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 solicited or received with respect to the proposed rule change.

III. 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, DC 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, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-96-16 and should be submitted by July 5, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-15112 Filed 6-13-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37294; File No. SR-MBSCC-96-01]

Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing of a Proposed Rule Change To Modify Participants Fund Deposit Requirements

June 10, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 8, 1996, MBS Clearing

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ A zero plus tick is a price equal to the last sale where the last preceding transaction at a different price was at a lower price. Conversely, a zero minus tick is a price equal to the last sale where the last preceding transaction at a different price was at a higher price.

Corporation ("MBSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-MBSCC-96-01) and amended such filing on March 25, and May 30, 1996,² as described in Items I, II, and III below, which items have been prepared primarily by MBSCC. 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 proposed rule change will revise MBSCC's rules to modify MBSCC participants' deposit requirements to the participants fund.

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

In Its filing with the Commission, MBSCC included statements concerning the purpose of and basic 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. MBSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.³

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

The MBSCC participant fund is composed of a basic deposit, a minimum market margin deposit, and a daily margin requirement.⁴ The basic deposit component is intended to ensure that a participant's obligations to MBSCC for services will be satisfied if

the participant is unable to meet such obligations.⁵ Currently, the basic deposit component is \$10,000, which must be in cash for each account maintained by a participant. The proposed rule change will require a minimum deposit of \$1,000 for each participant regardless of the number of accounts maintained.⁶ If a participant's average monthly services bill, as determined by MBSCC on a semiannual basis, exceeds \$1,000, the participant's minimum deposit amount will be the amount of such average monthly services bill up to a maximum amount of \$10,000 per account maintained by such participant. MBSCC believes that as a result of the proposed rule change, participants fund deposits will reflect more accurately each participant's actual services billing.

MBSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁷ and the rules and regulations thereunder because it provides for the equitable allocation of dues, fees, and other charges among MBSCC's participants.

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

MBSCC does not believe that the proposed rule change will have an impact on or impose a 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 relating to the proposed rule change have solicited or received. MBSCC will notify the Commission of any written comments received by MBSCC.

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

Within thirty-five 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 ninety 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 MBSCC 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., 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 in the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of MBSCC. All submissions should refer to the file number SR-MBSCC-96-01 and should be submitted by July 5, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-15180 Filed 6-13-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37291; File No. SR-NASD-96-21]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Mandatory Electronic Filing of Forms U-4, U-5 and BD

June 7, 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 June 7, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission")

² Letters from Anthony H. Davidson, MBSCC, to Christine Sibille, Division of Market Regulation ("Division"), Commission (March 18, 1996) and to Mark Steffensen, Division, Commission (May 30, 1996).

³ The Commission has modified the text of the summaries prepared by MBSCC.

⁴ The purpose of the daily margin requirement ("MMD") is to ensure that a participant's open obligations to MBSCC will be satisfied in the event the participant is unable to meet such obligations. MMD is derived from a formula which assesses various factors including the type of position held and marked-to-market value fluctuations. The purpose of the minimum market margin deposit ("3MD") is to provide additional assurances that each participant's fund contributions will be adequate to satisfy all open commitments recorded with MBSCC. Currently, the deposit required to satisfy this component of the participant fund is \$250,000 per participant. The proposed rule change will not affect the requirements of MBSCC participants with regard to the MMD and 3MD components of the participant's fund.

⁵ Notwithstanding the purposes of the basic deposit, MMD, and 3MD components of the participants fund, MBSCC is not limited in its application of participant fund proceeds. Rather, MBSCC can utilize the total participants fund to satisfy a participant's obligations irrespective of the type of default.

⁶ MBSCC determined that its participants on average maintain two accounts at MBSCC. Presently, the monthly maintenance fee per account is \$350 or \$700 for two accounts. MBSCC based the minimum deposit amount of \$1,000 upon these averages and other participant usage data.

⁷ 15 U.S.C. § 78q-1 (1988).

⁸ 17 CFR 200.30-3(a)(12) (1995)