

For further details with respect to this action, see the application for amendment dated July 31, 1996, which is available for public inspection at the Commission's Public Document Room, the Gelman Building, 2120 L Street, NW., Washington, DC, and at the local public document room located at the Chattanooga-Hamilton County Library, 1001 Broad Street, Chattanooga, Tennessee.

Dated at Rockville, Maryland, this 2nd day of August 1996.

For the Nuclear Regulatory Commission.

Ronald W. Hernan,

*Project Manager, Project Directorate II-3,
Division of Reactor Projects—I/II, Office of
Nuclear Reactor Regulation.*

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SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Heritage Media Corporation, Class A Common Stock, \$.01 Par Value) File No. 1-10015

Heritage Media Corporation ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the American Stock Exchange, Inc. ("Amex").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, it has listed the Security with the New York Stock Exchange, Inc. ("NYSE"). In making the decision to withdraw the Security from listing on the Amex, the Company considered the growth of the Company's business and operations and the increase in the market value of the Company's Security.

Any interested person may, on or before August 23, 1996, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless

the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96-20180 Filed 8-7-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37509; File No. SR-CBOE-96-44]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to the Listing and Trading of Options on the Goldman Sachs Technology Composite Sub-Indexes

July 31, 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 July 2, 1996, the Chicago Board Options Exchange, Inc. ("CBOE" 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 CBOE proposes to list and trade options on six different narrow-based indexes, each of which is composed of components from the GSTI Composite Index ("GSTI Composite Index").¹ The six sub-indexes are: the GSTI Internet Index ("Internet Index"), the GSTI Software Index ("Software Index"), the GSTI Semiconductor Index ("Semiconductor Index"), the GSTI Hardware Index ("Hardware Index"), the GSTI Services Index ("Services Index"), and the GSTI Multimedia Networking Index ("Multimedia Index") (collectively "GSTI Sub-Indexes"). Each of the GSTI Sub-Indexes are cash-settled, modified capitalization-weighted indexes with European-style exercise.

¹ Concurrent with this proposal, CBOE has filed for approval to list and trade options on the Goldman Sachs Technology Composite Index, a broad-based, capitalization weighted index composed of the universe of technology-related company stocks meeting certain objective criteria. See SR-CBOE-96-43. A list of components for the Composite Index or any of the Sub-Indexes is available at the Commission or CBOE.

The text of the proposed rule change is available at the Office of the Secretary, CBOE and at 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 CBOE 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 CBOE 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 purpose of the proposed rule change is to permit the Exchange to list and trade cash-settled, European-style index options on six sub-indexes of the GSTI Composite Index. Each of the GSTI Sub-Indexes is modified-capitalization weighted and is composed of components of the GSTI Composite Index. Goldman, Sachs & Co. has designated a GSTI Committee ("Committee") to oversee the selection of components for the GSTI Sub-Indexes, as discussed below.

Index Design. The Committee selects and assigns stocks to a sub-index based upon relevant qualitative criteria. Any stock in a sub-index must appear in the Composite Index. Stocks may be represented in one or more GSTI Sub-Indexes, however, not all GSTI Composite Index components necessarily will be assigned to a GSTI Sub-Index. All of the components of the index currently trade on the New York Stock Exchange ("NYSE"), the American Stock Exchange ("NYSE"), the American Stock Exchange or are National Market System securities traded on Nasdaq.

Calculation. The Index will be calculated by CBOE or a designee of Goldman Sachs on a real-time basis using last-sale prices and will be disseminated every 15 seconds by CBOE. If a component security is not currently being traded on its primary market, the most recent price at which the security traded on such market will be used in the Index calculation.

The Index is calculated on a "modified capitalization-weighted" method. This method is a hybrid between equal weighting (which may

pose liquidity concerns for smaller-cap stocks) and normal capitalization weighting (which may result in two or three stocks dominating the index's performance). Under the method employed for each of the sub-indexes, the maximum weight for the largest stock in the sub-index will be set to 25% on the semiannual rebalancing date. The maximum weight for the second largest stock will be set to 20% and the maximum weight for the third largest stock and any stock thereafter will be set to 15% on the rebalancing date. The weight of all the remaining sub-index stocks shall be market capitalization weighted. Thus, the weights of these remaining stocks are not "capped".

For stocks which are not "capped," index shares will equal the company's outstanding common shares. For stocks which are capped, index shares will equal its maximum weight, multiplied by the adjusted total market capitalization of the sub-index, divided by the stock's closing price on the rebalancing date. The index's adjusted total market capitalization is the total outstanding market capitalization adjusted to reflect the number of "capped" stocks.

The divisor for each Sub-Index was initially calculated to yield a benchmark value of 100.00 at the close of trading on April 30, 1996. The divisor for each Sub-Index will be adjusted as needed to ensure continuity in each index whenever there are additions or deletions from an index, share changes, or adjustments to a component's price to reflect rights offerings, spinoffs, and special cash dividends.

Maintenance. The Indexes will be maintained by CBOE and the GSTI Committee. On each semi-annual rebalancing date, the GSTI Composite Index will be adjusted by adding or deleting stocks according to the inclusion criteria detailed in SR-CBOE-96-43. All changes to the GSTI Composite Index will be implemented after the close of trading on the effective date. The effective dates will be the third Friday of January and July. The rebalancing date will be 7 business days inclusive prior to the effective date.

As soon after the close of trading on the day following the rebalancing date for the GSTI Composite Index, the Exchange will provide to the Committee a list of all constituent changes to the GSTI Composite Index. Upon receipt of this list from the Exchange, the Committee will meet to determine any changes to the GSTI Sub-Indexes.

The Committee will notify CBOE of any change in composition for any of GSTI Sub-Indexes before trading starts

on the trading day after the Exchange has provided the Composite Index component list to the Committee.² The Exchange, in turn, will disseminate the information concerning the components of the GSTI Sub-Indexes to the public. The Committee retains discretion to add or delete stocks from the GSTI Sub-Indexes at the rebalancing or to change a stock's industry classification. At the discretion of the Committee, a stock may also be removed from a Sub-Index due to lack of industry representation in the Sub-Index. At no time will a Sub-Index fall to less than 6 stocks.

Additionally, at the semi-annual rebalancing, stocks with Sub-Index weights which exceed their cap in that Sub-Index, will be restored to the appropriate capped weight.

When a stock is "Fast Added" to the GSTI Composite Index, as described in SR-CBOE-96-43, the stock may be "Fast Added" to one or more GSTI Sub-Indexes at the same time. If added to a sub-index, the stock's weight cannot exceed the appropriate cap for that sub-index. If a stock is "Fast Deleted" from the GSTI Composite Index, it will be removed from all GSTI Sub-Indexes at the same time.

In the case of a merger, the Committee will decide the Sub-Index classification of the merged company. If the weight of the merged company would exceed the relevant cap for the Sub-Index to which it is assigned, the weight of the company will be capped at the time that the merger is completed. The index shares of all other stocks in the effected Sub-Index will remain unchanged.

Index Option Trading. The Exchange proposes to base trading in options on the GSTI Sub-Indexes on the full value of the relevant Sub-Index. The Exchange may list full-value long-term index option series ("LEAPS®"), as provided in Rule 24.9. The Exchange also may provide for the listing of reduced-value LEAPS, for which the underlying value would be computed at one-tenth of the value of the appropriate Sub-Index. The current and closing index value of any such reduced-value LEAPS will, after such initial computation, be rounded to the nearest one-hundredth.

Strike prices will be set to bracket the index in a minimum of 2½ point increments for strikes below 200 and 5 point increments above 200. The

² For example, if CBOE provides to the Committee a list of composition changes to the GSTI Composite Index after the close of trading on Friday, the Committee would in turn inform CBOE of any corresponding changes to the GSTI Sub-Indexes before trading commences on Monday. CBOE would then disseminate such changes to the public prior to the commencement of trading. Telephone Conversation between Eileen Smith, CBOE, and Steve Youhn, SEC, on July 24, 1996.

minimum tick size for series trading below \$3 will be 1/16th and for series trading above \$3 the minimum tick will be 1/8th. The trading hours for options on the Index will be from 8:30 a.m. to 3:10 p.m. Chicago time.

Exercise and Settlement. GSTI Sub-Index options will have European-style exercise and will be "A.M.-settled index options" within the meaning of the Rules in Chapter XXIV, including Rule 24.9, which is being amended to refer specifically to GSTI Sub-Index options. The proposed options will expire on the Saturday following the third Friday of the expiration month. Thus, the last day for trading in an expiring series will be the second business day (ordinarily a Thursday) preceding the expiration date.

Exchange Rules Applicable. Except as modified herein, the Rules in Chapter XXIV will be applicable to GSTI Sub-Index options. Index option contracts based on the GSTI Sub-Indexes will be subject to the position limit requirements of Rule 24.4A. Ten reduced-value options will equal one full-value contract for such purposes.

CBOE represents that it has the necessary systems capacity to support new series that would result from the introduction of the GSTI Sub-Index options. CBOE has also been informed that the Options Price Reporting Authority ("OPRA") has the capacity to support such new series.

The Exchange believes the proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5) in particular in that it will permit trading in options based on the GSTI Sub-Indexes pursuant to rules designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade. The rule proposal will also serve to further these objectives by providing investors with the ability to invest in options based on additional indexes.

2. Statutory Basis

CBOE believes the proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(5) in particular in that it will permit trading in options based on the IPC pursuant to rules designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade, and thereby will provide investors with the ability to invest in options based on an additional index.

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

The Exchange believes 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

The Exchange has neither solicited nor received written comments on the proposed rule change.

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 longer 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, 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 at the Commission's Public Reference Section, 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 the CBOE. All submissions should refer to File No. SR-CBOE-96-44 and should be submitted by August 29, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.³

Jonathan G. Katz,
Secretary.

[FR Doc. 96-20183 Filed 8-7-96; 8:45 am]

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[Release No. 34-37510; International Series Release No. 1012; File No. SR-ISCC-96-03]

Self-Regulatory Organizations; International Securities Clearing Corporation; Order Granting Temporary Approval on an Accelerated Basis of a Proposed Rule Change Relating to the Clearing Fund Formula

August 1, 1996.

On May 16, 1996 the International Securities Clearing Corporation ("ISCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-ISCC-96-03) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the Federal Register on July 9, 1996.² No comment letters were received. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change through August 1, 1997.³

I. Description

The proposed rule change extends approval of ISCC's clearing fund formula. In 1986, ISCC and the London Stock Exchange ("LSE") entered into a linkage agreement which allows ISCC to obtain comparison and settlement services in the United Kingdom from the LSE on behalf of ISCC members.⁴ ISCC is obligated to the LSE to pay for all securities delivered to ISCC through the ISCC-LSE link. ISCC has no responsibility to complete open pending trades (*i.e.*, once a member fails, ISCC no longer accepts delivery of securities

for such member through the link). To adequately cover ISCC's exposure, each member's clearing fund deposit requirement is calculated and collected on a weekly basis. Each member is required to deposit the greater of (a) the largest clearing fund calculation over the last 365 day period or (b) the deposit that would be required based on the clearing fund calculation using trades due to settle over the next week.⁵ Calculations are made each Tuesday, and members are required to deposit additional clearing fund amounts within three days.⁶

ISCC's clearing fund formula is: (Gross Debit Value) x (Market Risk Factor) + (Foreign Exchange Factor).⁷ The Gross Debit Value is a member's largest single daily gross debit value based on debit values for five consecutive business days including the day on which the calculation is performed less 15% of the Institutional Net Settlement ("INS") receive value for that same day.⁸ The Market Risk Factor is based on the largest calculated percentage change in the Financial Times Index over a six day period over a minimum of 365 days.⁹ The Market

⁵ During the eight week period ending April 23, 1996, the weekly clearing fund calculation exceeded the 365 day high in only three out of twenty-four calculations. Letter to Jerry Carpenter, Assistant Director, Division of Market Regulation, Securities and Exchange Commission, from Julie Beyers, ISCC (May 16, 1996).

⁶ For example, ISCC calculates a member's clearing fund requirement on Tuesday, August 2, based on trades due to settle on Tuesday, August 2, through Monday, August 8, (*i.e.*, trades conducted on Tuesday, July 26, through Monday, August 1). Because an ISCC member has three business days after the calculation to make additional deposits, under the five day rolling settlement cycle, ISCC generally is collecting clearing fund contributions based on trades which already have settled. Under the prior ten day rolling settlement system, the clearing fund formula was based on the actual largest daily obligation of a member during the relevant time period, and the clearing fund deposit could be calculated and collected prior to the settlement day.

⁷ Members are required to contribute a minimum of \$50,000 to the clearing fund.

⁸ Under the INS system, redeliveries of securities from ISCC members to institutional participants can occur automatically through the LSE. Therefore, ISCC generally is not required to pay the LSE for these securities. The debits arising from these redeliveries may be offset only partially because these securities may be reclaimed (*i.e.*, returned) by the receiver, and in such circumstance, ISCC is liable to the LSE for the full value of the reclamation.

⁹ ISCC bases its clearing fund calculations on the assumption that it will take one day to sell all of a defaulting participant's positions. Under a five day settlement period, this results in a six day exposure for market risk with five days between trade date and settlement date and one day between settlement date and close out of positions. There also is a one day exposure for foreign exchange risk because ISCC converts U.S. dollars to British pounds on the settlement date and converts the proceeds from the sale of the positions to U.S. dollars the following day.

¹ 15 U.S.C. § 78s(b)(1) (1988).

² Securities Exchange Act Release No. 37390 (July 1, 1996), 61 FR 36096.

³ The Commission temporarily approved two previous ISCC proposed rule changes amending ISCC's clearing fund formula. Securities Exchange Act Release No. 35970 (July 13, 1995), 60 FR 37698 [File No. SR-ISCC-95-03] (notice of filing and order granting accelerated approval on a temporary basis of ISCC's clearing fund formula) and Securities Exchange Act Release No. 34392 (July 15, 1994), 59 FR 37798 [File No. SR-ISCC-94-1] (order temporarily approving on an accelerated basis ISCC's clearing fund formula).

⁴ At that time, the LSE settled trades on a fortnightly basis with all trades that occurred during a two week period settling on the same day. On July 18, 1994, the LSE moved to a ten day rolling settlement cycle with trades settling ten days after trade date. On June 26, 1995, the LSE moved to a five day rolling settlement period. In response to the change to a rolling settlement cycle, ISCC adjusted its method of calculating its clearing fund requirements.

³ 17 CFR 200.30-3(a)(12) (1994)