

CHX rules).<sup>2</sup> Thus, the purpose of the proposed rule change is to expand the scope of this agency service.

## 2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act<sup>3</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free open market and a national market system, and, in general, to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will 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 were solicited or received with respect to the proposed rule change.

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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; and (3) the Exchange has provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>4</sup> and Rule 19b-4(e)(6) thereunder.<sup>5</sup>

A proposed rule change filed under Rule 19b-4(e)(6) does not become operative prior to thirty days after the date of filing or such shorter time as the Commission may designate if such action is consistent with the protection of investors and the public interest. In conjunction with the Exchange's recent withdrawal from the securities clearance and depository businesses, the Commission approved new CHX Article XXI, Rule 13, which permits the CHX to act as agent on behalf of specialists, market makers, and floor brokers. As it subsequently has become apparent to the Exchange that the CHX needs the flexibility to be able to act as agent on behalf of non-floor members that are members of a Qualified Clearing Agency, the CHX requests that the

Commission accelerate the implementation of the proposed rule change so that it may take effect prior to the thirty days specified under Rule 19b-4(e)(6)(iii).<sup>6</sup> The Commission finds that the proposed rule change is consistent with the protection of investors and the public interest and therefore has determined to make the proposed rule change operative as of the date of this order.

At any time within 60 days of the filing of such 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. 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 Exchange. All submissions should refer to File No. SR-CHX-96-05 and should be submitted by March 15, 1996.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-4122 Filed 2-22-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36856; File Nos. SR-MCC-96-01 and SR-MSTC-96-01]

## **Self-Regulatory Organizations; Midwest Clearing Corporation; Midwest Securities Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Changes Relating to the Termination Dates for Services Provided by Midwest Clearing Corporation and Midwest Securities Trust Company**

February 16, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 29, 1996, the Midwest Clearing Corporation ("MCC") and the Midwest Securities Trust Company ("MSTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes (File Nos. SR-MCC-96-01 and SR-MSTC-96-01) as described in Items I, II, and III below, which items have been prepared primarily by MCC and MSTC. On February 8, 1996, MCC and MSTC filed amendments to the proposed rule changes to make technical corrections not affecting the substance of the proposals.<sup>2</sup> The Commission is publishing this notice to solicit comments from interested persons.

### **I. Self-Regulatory Organizations' Statement of the Terms of Substance of the Proposed Rule Changes**

MCC and MSTC propose to notify their participants of the transition dates selected for the final termination of MCC's and MSTC's services.

### **II. Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes**

In their filings with the Commission, MCC and MSTC included statements concerning the purpose of and basis for the proposed rule changes and discussed any comments they received on the proposed rule changes. The text of these statement may be examined at the places specified in Item IV below. MCC and MSTC have prepared summaries, set forth in section (A), (B) and (C) below, of the most significant aspects of such statements.<sup>3</sup>

<sup>1</sup> 15 U.S.C. § 78s(b)(1) (1988).

<sup>2</sup> Letters from George T. Simon, Foley & Lardner [counsel to MCC/MSTC], to Jerry Carpenter, Senior Attorney, Division of Market Regulation, Commission (January 26, 1996).

<sup>3</sup> The Commission has modified the text of the summaries prepared by MCC and MSTC.

<sup>2</sup> See CHX Article XXI, Rule 4, Interpretation and Policy .03.

<sup>3</sup> 15 U.S.C. 78f(b)(5).

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

<sup>5</sup> 17 CFR 240.19b-4(e)(6).

<sup>6</sup> 17 CFR 240.19b-4(e)(6)(iii).

*(A) Self-Regulatory Organizations' Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Changes*

On January 5, 1996, the Commission approved proposed rule changes filed by MCC, MSTC, and Chicago Stock Exchange, Incorporated ("CHX") regarding a decision by MCC, MSTC, and CHX to terminate as of January 15, 1996, securities clearing, depository, and other services offered by CHX, MCC, MSTC, and the Securities Trust Company of New Jersey, a CHX subsidiary, in conjunction with an agreement with the National Securities Clearing Corporation and The Depository Trust Company.<sup>4</sup>

MCC and MSTC propose to issue an Administrative Bulletin listing the termination dates for various MCC and MSTC services.<sup>5</sup> The bulletin advises MCC and MSTC participants that they should have alternative clearing and/or depository arrangements in advance of MCC/MSTC's last service date and that participant action taken after the last day for the MCC/MSTC service will result in rejected and/or reclaimed instructions. In addition, the bulletin notes that MCC and MSTC will continue to perform limited security processing functions until all participant positions have been eliminated. Furthermore, the bulletin advises that MCC and MSTC recognize that certain firms may have a small number of safekeeping positions remaining at MSTC and that MCC/MSTC intend to work with each firm on a case-by-case basis to convert or exit the positions.

MCC and MSTC believe that the proposed rule changes are consistent with Section 17A of the Act and the rules and regulations thereunder because they will facilitate the prompt and accurate clearance and settlement of securities transactions.

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

MCC and MSTC do not believe the proposed rule changes will impose a burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

<sup>4</sup> Securities Exchange Act Release No. 36684 (January 5, 1996), 61 FR 1195, [File Nos. SR-MCC-95-04 and SR-MSTC-95-10] (order approving proposed rule changes).

<sup>5</sup> The Administrative Bulletin is attached as Exhibit A to MCC's and MSTC's respective proposed rule changes and is available in the Commission's Public Reference Room or through MCC or MSTC.

*(C) Self-Regulatory Organizations' Statement on Comments on the Proposed Rule Changes Received From Members, Participants or Others*

Written comments on the proposals have not been solicited or received.

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

The foregoing rule changes have become effective pursuant to Section 19(b)(3)(A)(i)<sup>6</sup> of the Act and pursuant to Rule 19b-4(e)(1)<sup>7</sup> promulgated thereunder because each proposal constitutes a stated policy, practice or interpretation with respect to the meaning, administration or enforcement of an existing rule of MCC and MSTC. At any time within sixty days of the filing of such rule changes, the Commission may summarily abrogate such rule changes 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. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule changes that are filed with the Commission, and all written communications relating to the proposed rule changes 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. Copies of such filing also will be available for inspection and copying at the principal office of MCC. All submissions should refer to the file numbers SR-MCC-96-01 and SR-MSTC-96-01 and should be submitted by March 15, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(i) (1988).

<sup>7</sup> 17 CFR 240.19b-4(e)(1) (1995).

<sup>8</sup> 17 CFR 200.30-3(a)(12) (1995).

Margaret H. McFarland,  
Deputy Secretary.  
[FR Doc. 96-4125 Filed 2-22-96; 8:45 am]  
BILLING CODE 8010-01-M

[Release No. 34-36857; File No. SR-MSRB-96-1]

**Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Interpretation of Rule G-37 on Political Contributions and Prohibitions on Municipal Securities Business**

February 16, 1996.

On January 16, 1996,<sup>1</sup> the Municipal Securities Rulemaking Board ("Board" or "MSRB") filed with the Securities and Exchange Commission ("Commission" or "SEC") a proposed rule change, pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), and Rule 19b-4 thereunder. The proposed rule change is described in Items I, II, and III below, which Items have been prepared by the Board. 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 Board is filing herewith a notice of interpretation concerning rule G-37<sup>2</sup> on political contributions and prohibitions on municipal securities business (hereafter referred to as "the proposed rule change").<sup>3</sup> The Board has requested accelerated approval of the proposed rule change because the clarifications provided in the proposed rule change are needed to eliminate uncertainty over the specific application of rule G-37 to certain situations.

<sup>1</sup> On February 14, 1996, the MSRB filed Amendment No. 1 with the Commission. Amendment No. 1 withdraws question-and-answer number 3, as well as certain language in the filing pertaining thereto. See Letter from Jill C. Finder, Assistant General Counsel, MSRB, to Katherine A. England, Assistant Director, Division of Market Regulation, SEC (February 14, 1996) ("February 14 Letter").

<sup>2</sup> MSRB Manual. General Rules, rule G-37 (CCH) ¶3681.

<sup>3</sup> The Board published the interpretation as originally submitted in the January 1996 MSRB Reports (Vol. 16, no. 1, pp. 31-34). The interpretation is also available for inspection and copying at the Commission's public reference room and at the Board.