

and factual basis and justification for the initial granting of such relief likewise continues.

3. Applicants represent that all of the facts asserted and representations made in the applications (and any amendments thereto) for the Existing Orders remain true and accurate in all respects material to any relief that is requested herein. Applicants further represent that they will continue to comply with any terms, conditions, and undertakings that were set forth in those applications (and any amendments thereto) in connection with the exemptions that they now request be extended to Distributors or any Future Underwriter.

### Conclusion

Applicants submit that, for the reasons and upon the facts summarized above, the exemptive relief requested pursuant to Section 6(c) of the 1940 Act is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-8232 Filed 3-31-97; 8:45 am]

BILLING CODE 8010-01-M

### Issuer Delisting; Notice of Application To Withdraw From Listing and Registration (USL Capital Corporation, 8¾% Senior Notes Due December 1, 2001); File No. 1-4976

March 26, 1997.

USL Capital 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 12d2-1(d) promulgated thereunder, to withdraw the above specified securities ("Securities") from listing and registration on the American Stock Exchange, Inc. ("Amex").

The reasons explained in the application for withdrawing the Securities from listing and registration include the following:

The Company issued \$200,000,000 principal amount of its Security under an Indenture dated July 1, 1991. The Securities were listed on the Amex and registered under Section 12(b) of the Securities Exchange Act of 1934, as amended. As of the date hereof, Securities in the principal amount of \$200,000,000 remain outstanding. As of

December 31, 1996, there was only one registered holder of the Securities, which were beneficially owned by 64 participants of The Depository Trust Company.

In making the decision to withdraw the Securities from listing on the AMEX, the Company considered the direct and indirect costs and expenses attendant on maintaining the listing of the Securities on the AMEX and complying with the reporting requirements of the Act, the small number of record and beneficial holders of the Securities, the availability of a market maker for the Securities, the fact that the Company has no other publicly traded debt or equity securities and the availability of information with respect to the co-obligor of the Securities, Ford Motor Credit Company. Further, it is the Company's understanding that the Securities have not traded on the Amex for some time and that any transactions involving the Securities have been conducted off the exchange. As a result of the foregoing, the Company does not see any particular advantage in the continued listing of the Securities on an exchange.

The Company has complied with Rule 18 of the AMEX by filing with the AMEX a certified copy of resolutions adopted by the Company's Board of Directors authorizing the withdrawal of the Securities from listing on the AMEX and by setting forth in detail to the AMEX the reasons for such proposed withdrawal and the facts in support thereof.

Any interested person may, on or before April 16, 1997, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, NW., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchange 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. 97-8225 Filed 3-31-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38437; File No. SR-Amex-97-14]

### Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Trading in One Sixteenth of a Dollar

March 25, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on March 17, 1997, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. Subsequently, the Exchange submitted Amendment No. 1 to the proposed rule change.<sup>2</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

The Amex proposes to amend Exchange Rule 127 (Minimum Fractional Changes) to permit trading in sixteenths in Amex securities selling at \$10 and higher.

The text of the proposed rule change is available at the Office of the Secretary, the Amex, 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 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.

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

<sup>2</sup> Letter from James F. Duffy, Executive Vice President and General Counsel, Amex, to Anthony P. Pecora, Attorney, Division of Market Regulation, SEC, dated March 24, 1997 ("Amendment No. 1"). In addition to correcting a typographical oversight, Amendment No. 1 enhanced the Amex's discussion concerning the filing's impact on the Intermarket Trading System and its burden on competition.

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

1. Purpose

The Amex proposes to amend Amex Rule 127 (Minimum Fractional Changes) to provide a significant expansion in the number of Amex securities traded in fractions of  $\frac{1}{16}$  of \$1.00. In 1992, the Commission approved sixteenths trading for Amex securities selling under \$5 and above \$0.25.<sup>3</sup> In 1995, the Commission approved an expansion of these parameters to allow sixteenths trading in Amex securities selling under \$10.<sup>4</sup>

The Exchange has determined to extend the benefits of trading in sixteenths to Amex equity securities priced at \$10 and over, which currently includes approximately 50% of Amex's equity list.<sup>5</sup> The Exchange believes that trading in sixteenths will promote investor protection by, among other things, enhancing the already significant potential for price improvement available on the Amex to both retail and professional orders.

On March 18, 1997, the Amex discussed the proposed expansion of trading in sixteenths with the Intermarket Trading System ("ITS") participants and with the Securities Industry Automation Corporation ("SIAC"). The ITS Operating Committee voted unanimously to instruct SIAC to make necessary enhancements to the ITS host system to accommodate the proposed expanded sixteenths trading. SIAC also agreed to coordinate with the ITS participants regarding any required testing and changes to the participants' internal systems.<sup>6</sup>

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b) <sup>7</sup> of the Act in general and furthers the objectives of Section 6(b)(5) <sup>8</sup> in particular in that it is designed to promote just and equitable principles of trade, to facilitate transactions in

securities and, in general, to protect investors and the public interest.

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

The Exchange believes the proposed rule change will impose no burden on competition. Indeed, the Exchange believes an expansion of trading in sixteenths will enhance competition by permitting trading in all Amex equity securities by all ITS participants in narrower trading fractions, with the potential for significant price improvement for investors. The proposed rule change will require SIAC to modify the host system and may require individual ITS participant markets to modify their own systems to permit trading in sixteenths via ITS in Amex securities priced \$10 and higher. No competitive issue is raised by these system changes, however, as expanded sixteenths trading will not commence until the SIAC and participant system changes have been effected.

*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.

**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, 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. Also, copies of such filing will be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-97-14 and should be submitted by April 22, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-8229 Filed 3-31-97; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-38438; File No. SR-CBOE-96-57]

**Self-Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Granting Approval to Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment Nos. 1, 2, and 3 Relating to a Minor Rule Violation Plan Amendment To Create a Settlement Procedure for Position Limit Fines**

March 25, 1997.

**I. Introduction**

On September 25, 1996, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend its minor rule violation procedure to create an offer of settlement process for certain position limit violations.

The proposed rule change, together with the substance of the proposal, was published for comment in Securities Exchange Act Release No. 37787 (October 4, 1996), 61 FR 53472 (October 11, 1996). No comments were received on the proposed rule change. The CBOE filed Amendment Nos. 1, 2, and 3 with the Commission on January 21, March 4, and March 4, 1997, respectively.<sup>3</sup> This

<sup>3</sup> Securities Exchange Act Release No. 31118 (Aug. 28, 1992), 57 FR 40484 (Sept. 3, 1992) (approving SR-Amex-91-07).

<sup>4</sup> Securities Exchange Act Release No. 35537 (Mar. 27, 1995), 60 FR 16894 (Apr. 3, 1995) (approving File No. SR-Amex-95-02).

<sup>5</sup> Standard and Poor's Depository Receipts® ("SPDRs®") and S&P MidCap 400 SPDRs™ will continue to trade in  $\frac{1}{64}$ 's.

<sup>6</sup> The Commission notes that the tests conducted March 22, 1997 involving the Amex, the Boston Stock Exchange, the Nasdaq Stock Market, and the Pacific Stock Exchange were successful. Amendment No. 1, *supra* note 2.

<sup>7</sup> 15 U.S.C. 78f(b).

<sup>8</sup> 15 U.S.C. 78f(b)(5).

<sup>9</sup> 17 C.F.R. 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> Amendment No. 1 clarifies that the Exchange will report any Business Conduct Committee ("Committee") decision accepting a settlement offer under the proposed settlement procedure for position limit fines to the Commission on a current

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