

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 New York Stock Exchange, Inc. ("NYSE" or "Exchange").

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

The Security is listed for trading on the NYSE. The Security is not listed on any other exchange.

On May 8, 1998, the Company completed a tender offer and consent solicitation with respect to the Security. The consent solicitation resulted in substantial amendments to the Indenture governing the Security. Among other things, the amendments removed from the Indenture a covenant of the Company to deliver to Security holders reports required to be filed with the Commission or substantially equivalent reports if the Company was no longer required to file such reports with the Commission. In its offering/solicitation document, the Company advised the Security holders that it anticipated that the Security would be delisted from the NYSE after the offer. Holders of approximately 97.5% of the Security tendered their Security and consented to the proposed amendments to the Indenture.

The Company believes that its application to withdraw the Security from listing and registration on the NYSE should be granted for the following primary reasons.

1. The aggregate principal of the Security that remains issued and outstanding is small. Only \$2,525,000 of the original \$400,000,000 in the Security remains outstanding after completion of the tender offer. The Company intends to redeem these remaining Securities on December 15, 1999.

2. The Security is held by a small number of holders. The Company believes that as of September 11, 1998, there was one record holder and 27 beneficial holders of the Security. The Company believes that it would be impractical to locate these Security holders at the present time.

3. The Company believes that there is essentially no trading in, and therefore no market for, the Security that remains outstanding. The NYSE informed the Company on August 27, 1998, that, except for limited trading in February and March, there has been no reported trading in the Security over the last 12 months. Because of the small number of holders, the Company believes that it is unlikely that there will be any

significant public interest in trading the Security on the NYSE in the future.

The Company has notified the NYSE of its intent to delist the Security and the NYSE has verbally informed the Company that it will not object to the delisting of the Security.

Any interested person may, on or before October 28, 1998, 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 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.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40523; International Series Release No. 1160; File No. SR-DTC-97-22]

Self-Regulatory Organizations; The Depository Trust Company; Order Approving a Proposed Rule Change Relating to Establishing an Omnibus Account at the Canadian Depository for Securities

October 6, 1998.

On October 30, 1997, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-DTC-97-22) 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 February 20, 1998.² The Commission received no comment letters in response to the filing. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

Currently, DTC maintains a link with The Canadian Depository for Securities ("CDS") that allow a CDS participant to establish an account at DTC or to use

CDS's omnibus account at DTC. The Link permits CDS participants to process book-entry transactions with other DTC participants. In addition, the link permits CDS and its participants to use DTC's custody, clearance, and settlement services for transactions involving securities eligible in both systems. However, the current link limits book-entry deliveries from a CDS participant to a DTC counterparty by requiring that the securities be physically held at DTC. As a result, a CDS participant is unable to deliver to a DTC account securities held in its account at CDS by book-entry movement.³

Occasionally, a CDS participant attempting to settle a trade with DTC counterparty has sufficient inventory in its account at CDS to settle the transaction but does not have sufficient inventory in its DTC account. When this occurs, the CDS participant must physically withdraw the securities from CDS and must physically deposit them at DTC.⁴ The costs and risks associated with physically withdrawing and transporting certificates for the purpose of redepositing them at DTC, which also involves reregistration of the certificates into DTC nominee name, can be significant. In addition, the time involved in making physical movements can cause a CDS participant to not deliver securities to DTC in time for settlement and to incur certain expenses associated with its failure to deliver.

The rule change allows DTC to establish an omnibus account at CDS in order to create a two-way interface between CDS and DTC. As a result of the two-way interface, there will be no need to physically move certificates between DTC and CDS in order to settle transactions. Using the interface, a CDS participant will be able to settle a cross-border transaction with a DTC counterparty by making a book-entry delivery from its participant account at CDS to the DTC omnibus account at CDS.⁵ The CDS participant will identify which DTC participant account should be credited with the position, and DTC will immediately credit the position to the

³ CDS participants sometimes represent U.S. investors or U.S. intermediaries that are in turn also adversely affected.

⁴ As of October 1, 1997, new deposit procedures provide CDS participants same-day credit at DTC for securities deposited through DTC's deposit facilities in CDS offices in Vancouver, Toronto, Montreal, and Calgary. CDS, on behalf of DTC, arranges for the reregistration of Canadian securities into DTC's nominee name prior to sending them to DTC.

⁵ All book-entry movements of security positions into or out of the DTC omnibus account at CDS will be on a free basis and not on an against payment basis.

¹ 15 U.S.C. 78s(b)(1)

² Securities Exchange Act Release No. 39657 (February 12, 1998), 63 FR 8725.

receiving DTC participant account on DTC's books. The receiving DTC participant can then redeliver the position on a free basis or on an against payment basis within DTC. The securities, though, will remain at CDS. DTC and CDS will conduct automated, daily reconciliation to ensure their books balance.

To minimize any subsequent physical movement of securities that could occur between DTC and CDS, DTC and CDS will engage in weekly meeting. The netting will reduce on an omnibus basis the number of securities in the same issue held by each depository on behalf of the other.

CDS will provide subcustody services such as income collection, maturity presentments, and reorganization processing on securities held in DTC's omnibus account at CDS in accordance with CDS procedures (as DTC currently provides for securities held by DTC on behalf of CDS). Whether DTC is holding its underlying inventory in Canada or in the U.S., DTC services to participants will be the same as currently provided.

II. Discussion

Section 17A(b)(3)(F) ⁶ of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission believes that DTC's rule change is consistent with DTC's obligations under the Act because the two-way link should help reduce the number failed trades and should help reduce the need for physical movements of Canadian securities among CDS, DTC, and Canadian transfer agents. As a result, trades in Canadian securities can be cleared and settled more efficiently, and DTC participants can avoid the expenses associated with failed trades and physically moving securities.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-97-22) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40519; File No. SR-NASD-98-53]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Order Approving Proposed Rule Change To Include Closed-End Funds in Nasdaq's Mutual Fund Quotation System

October 5, 1998.

I. Introduction

On July 24, 1998, the National Association of Securities Dealers, Inc. ("NASD") through its wholly-owned subsidiary, The Nasdaq Stock Market, Inc. ("Nasdaq"), filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend NASD Rule 6800 to include closed-end funds on Nasdaq's Mutual Fund Quotation System ("MFQS" or "Service"). The proposed rule change and Amendment No. 1³ were published for comment in the **Federal Register** on September 4, 1998.⁴ The Commission received one comment on the proposal. This order approves the proposed rule change, as amended.

II. Description of the Proposal

The proposed rule change amends NASD Rule 6800 to establish minimum requirements for the inclusion of closed-end funds in Nasdaq's MFQS. Presently, the MFQS collects daily price and related data for open-end funds and money market funds, and publicly disseminates the information to the news media and market data vendors. To assist the news media and market data vendors in determining which funds have the broadest appeal to the investing public, Nasdaq divides the participating funds into two separate lists: the "News Media List" and the "Supplemental List." Open-end funds on the News Media List are eligible for

inclusion in the fund tables of newspapers nationwide, as well as for dissemination over Nasdaq's Level 1 data feed service distributed by market data vendors. Open-end funds on the Supplemental List are disseminated over Nasdaq's Level 1 data feed service, thus providing significant visibility for funds that do not qualify for the News Media List. NASD Rule 6800 contains initial inclusion (minimum eligibility) requirements for both the News Media List and the Supplemental List, and contains maintenance (continued inclusion) requirements for the News Media List.

In the past, closed-end funds expressed an interest in being able to enter their daily prices into the Service for dissemination to the newspapers, market data vendors, and news wires. However, prior to the proposed rule change, closed-end funds were ineligible for inclusion in the MFQS under NASD Rule 6800 because the MFQS application did not accommodate some of the data attributes needed for closed-end funds. Recently, Nasdaq re-designed and upgraded the MFQS. The improved Service will be able to support the data attributes necessary to support closed-end funds and is expected to be implemented in the third quarter of 1998. Accordingly, Nasdaq proposes to add new standards for the inclusion of closed-end funds in the MFQS to Rule 6800.⁵

The proposed standards contain initial inclusion requirements for the News Media List and the Supplemental List, and maintenance requirements for the News Media List. Specifically, the criteria for the News Media List will be \$100 million in assets for initial inclusion and \$60 million in assets for maintenance. The criteria for initial inclusion in the Supplemental List will be \$10 million or two full years of operation; there will be no maintenance requirement for the Supplemental List.⁶ The proposed initial inclusion and maintenance requirements for the News Media List for closed-end funds are higher than the current requirements for open-end funds because the asset base of a closed-end fund is fixed upon initiation whereas the asset base of an open-end fund often starts small and grows over time; thus, closed-end funds

⁵ Under the improved MFQS, Nasdaq plans to disseminate on a daily basis a closed-end fund's net asset value and closing share price (as applicable). Additionally, Nasdaq will disseminate information relating to a fund's unallocated distributions. Each fund will provide the aforementioned information to Nasdaq on a daily basis through an interface of the MFQS.

⁶ This is consistent with the current standards for the Supplemental List for open-end funds. See NASD Rule 6800.

⁶ 15 U.S.C. 78q-1(b)(3)(F).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 U.S.C. 240.19b-4.

³ See Letter from Robert E. Aber, Senior Vice President and General Counsel, Office of the General Counsel, Nasdaq, to Katherine England, Assistant Director, Division of Market Regulation ("Division"), Commission, dated August 26, 1998 ("Amendment No. 1").

⁴ Securities Exchange Act Release No. 40380 (August 27, 1998), 63 FR 47336.