

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 purpose of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. 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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of MBSCC. All submissions should refer to File No. SR-MBSCC-98-01 and should be submitted by March 17, 1998.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-4571 Filed 2-22-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39672; File No. SR-NYSE-98-04]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc., Relating to the Reimbursement of Member Organizations for Costs Incurred in the Transmission of Proxy and Other Shareholder Communication Material

February 17, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934

("Act"),¹ notice is hereby given that on February 12, 1998, the New York Stock Exchange, Inc. (the "Exchange" or "NYSE") 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 Exchange. 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 Exchange seeks to modify Exchange Rule 451, "Transmission of Proxy Material," and Exchange Rule 465, "Transmission of Interim Reports and Other Material" (collectively the "Rules"). The Rules establish guidelines for the reimbursement of expenses incurred by NYSE member organizations for the processing of proxy materials and other issuer communications with respect to security holders whose securities are held in street name.

The Exchange proposes to reduce one of the fee reimbursement guidelines² that concerns charges for initial proxy and/or annual report mailings. In addition, the Exchange proposes to extend the pilot regarding the Rules, which currently is due to expire on May 13, 1998, through July 31, 1998.³

The text of the proposed rule change is available at the Office of the Secretary, the Exchange, 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 Exchange 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 Exchange has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(1).

² The specific fees listed in Rule 451 also are listed in Paragraph 402.10 of the Exchange's Listed Company Manual. The proposed rule change makes conforming changes to that paragraph.

³ See Securities Exchange Act Release No. 38406 (Mar. 14, 1997), 62 FR 13922 (Mar. 24, 1997) (the "Previous Filing"). The Previous Filing contains a detailed description regarding the background and history of the Rules.

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

1. Purpose

Among other things, the Previous Filing lowered the reimbursement guidelines, created incentive fees to eliminate duplicative mailings, and established a supplemental fee for intermediaries that coordinate multiple nominees. The Commission approved the Previous Filing as a one-year pilot, and designated May 13, 1998, as the date of expiration.

The purpose of the proposed rule change is to lower the rate of reimbursement for mailing each set of initial proxies and annual reports from \$.55 to \$.50. The Exchange is proposing this lower fee based on the experience over the last year, which indicates that the lower fee better approximates proxy handling costs. This reduced fee would be effective through the end of the current pilot period.

In addition, the pilot period presently is scheduled to expire in the midst of the current proxy season, on May 13, 1998. The proposed rule change would extend the pilot period through the end of the current proxy season to July 31, 1998.⁴

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)(4) of the Act⁵ in that it provides for the equitable allocation of reasonable dues, fees, and other charges among its members and other persons using its facilities. The Exchange further believes that the proposed rule change satisfies the requirement under Section 6(b)(5)⁶ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices; promote just and equitable principles of trade; foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities; remove impediments to and perfect the mechanism of a free and open market and a national market system; and, in general, protect investors and the public interest.

⁴ On February 6, 1998, the Exchange submitted a companion filing to this proposed rule change that would extend the pilot period through June 30, 2001. See SR-NYSE-98-05.

⁵ 15 U.S.C. 78f(b)(4).

⁶ 15 U.S.C. 78f(b)(5).

⁸ 17 CFR 200.30-3(a)(12).

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

The Exchange believes the proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others

The Exchange has not solicited, and does not intend to solicit, comments on the proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

Because the foregoing 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 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 (or such shorter time period as designated by the Commission), the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Exchange Act⁷ and Rule 19b-4(e)(6)⁸ thereunder.

A proposed rule change filed pursuant to Rule 19b-4(e)(6) normally does not become operative prior to 30 days after the date of filing. However, Rule 19b-4(e)(6)(iii)⁹ permits the Commission to designate such shorter time if such action is consistent with the protection of investors and the public interest. The Exchange has requested, in order to allow the fee reduction to be available for the 1998 proxy season, that the Commission designate such shorter time period so that the proposed rule change may take effect immediately upon its filing.

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 effective immediately upon filing. The proposed rule change reduces the reimbursement fee which Exchange member organizations are entitled to receive for mailing initial proxies and annual reports. The fee reduction should benefit issuers and public investors in the form of lower

costs and expenses. The fee reduction is based upon the Exchange's experience during the pilot period and should better reflect the actual costs incurred by member organizations.

The proposed rule change also extends the expiration date of the pilot period from May 13, 1998, through July 31, 1998. The Commission recognizes that the current expiration date intersects the time period when proxy materials traditionally are distributed to shareholders. As a result, member organizations would potentially be reimbursed at two different rates—the rates established by the Previous Filing, and the rates in effect prior to the implementation of the Previous Filing (the default rates)—if the expiration date were not extended. The Commission believes such a result would be confusing and counterproductive. The Commission also believes the extension of the expiration date will enable the Exchange to evaluate the effectiveness of the reimbursement guidelines based on their application during an entire proxy season.

The Commission notes that the pilot period reimbursement guidelines were conditionally approved in the Previous Filing following a full notice and comment period. As part of its approval, the Commission carefully considered all submitted comments concerning the pilot reimbursement guidelines and their impact on affected parties. Furthermore, the Exchange provided the Commission with advance written notice of the proposed rule change and implemented changes in responses to staff comments. Therefore, the Commission believes it is reasonable that the proposed rule change become immediately effective upon the date of filing, February 12, 1998.

At any time within 60 days of the filing of the 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, including whether the proposed rule change is consistent with the Act. 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 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-NYSE-98-04 and should be submitted by March 17, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-4573 Filed 2-23-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39649; File No. SR-PCX-98-04]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Exchange, Inc. Relating to the Identification of Broker-Dealer Orders on the Options Floor

February 11, 1998.

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 January 23, 1998, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by PCX. 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

PCX is proposing to amend its rules on the identification of broker-dealer orders by requiring that, if an order is for an account in which a broker-dealer has an interest, the broker-dealer status of the order must be disclosed to the trading crowd prior to execution,

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(e)(6).

⁹ 17 CFR 240.19b-4(e)(6)(iii).

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.