

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available
From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension:

Rule 10A-1, SEC File No. 270-425, OMB Control No. 3235-0468

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*) the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget a request for extension of the previously approved collection of information discussed below.

Rule 10A-1 implements the reporting requirements in Section 10A of the Exchange Act, which was enacted by Congress on December 22, 1995 as part of the Private Securities Litigation Reform Act of 1995, Pub. L. 104-67. Under section 10A and Rule 10A-1 reporting occurs only if a registrant's board of directors receives a report from its auditors that (1) There is an illegal act material to the registrant's financial statements, (2) senior management and the board have not taken timely and appropriate remedial action, and (3) the failure to take such is reasonably expected to warrant the auditor's modification of the audit report or resignation from the audit engagement. The board of directors must notify the Commission within one business day of receiving such a report. If the board fails to provide that notice, then the auditor, within the next business day, must provide the Commission with a copy of the report that it gave to the board.

Likely respondents are those registrants filing audited financial statements under the Securities Exchange Act of 1934 and the Investment Company Act of 1940.

It is expected that satisfaction of these conditions precedent to the reporting requirements are rare and, therefore, it is estimated that Rule 10AS-1 results in an aggregate additional reporting burden of 10 hours per year. The estimated average burden hours are solely for purposes of the Paperwork Reduction Act and are not derived from a comprehensive or even a representative survey or study of the costs of SEC rules or forms.

There are no recordkeeping retention periods in Rule 10A-1. Because of the one business day reporting periods,

recordkeeping retention periods should not be significant.

Filing the notice or report under Rule 10A-1 is mandatory once the conditions noted above have been satisfied. Because these notices and reports discuss potential illegal acts, they are considered to be investigative records and are kept confidential.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

General comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: July 27, 1999.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-19874 Filed 8-2-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

Notice is hereby given, pursuant to the provisions of the Government in the Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meeting during the week of August 2, 1999.

A Closed meeting will be held on Thursday, August 5, 1999 at 11 a.m. Commissioners, Counsel to the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meetings. Certain staff members who have an interest in the matters will be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions, set forth in 5 U.S.C. 552b(c)(4), (8), (9)(a) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meetings.

Commissioner Carey, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the closed meeting scheduled for Thursday, August 5, 1999, at 11:00 a.m., will be:

Institution of injunctive actions.

Institution and settlement of administrative proceedings of an enforcement nature.

Institution of administrative proceedings of an enforcement nature.

Institution and settlement of injunctive actions.

Commissioner Carey, as duty officer, determined that no earlier notice thereof was possible.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary at (202) 942-7070.

July 29, 1999.

Jonathan G. Katz,

Secretary.

[FR Doc. 99-20011 Filed 7-30-99; 12:31 pm]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41663; File No. SR-DTC-99-11]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of a Proposed Rule Change Relating to Liability With Respect to Affiliated Entities

July 27, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ notice is hereby given that on May 12, 1999, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Under the proposed rule change, DTC will amend its rules to limit its liability with respect to affiliated entities and to provide for increased participants fund deposits in the event of a wind down of DTC's operations. Specifically, DTC will amend its rules to provide that notwithstanding any affiliation between DTC and any other entity, including any clearing agency, except as otherwise expressly provided by written

¹ 15 U.S.C. 78s(b)(1).

agreement DTC shall not be liable for any obligations of such other entity, the participants fund or other assets of DTC shall not be available to such other entity, such other entity shall not be liable for any obligations of DTC, and any assets of such other entity shall not be available to DTC. In addition, DTC will amend its rules to provide that it may increase required deposits to its participants fund to cover costs associated with a voluntary liquidation of DTC.

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

In its filing with the Commission, DTC 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

The Boards of Directors of DTC and the National Securities Clearing Corporation ("NSCC") have determined to proceed with a plan for the integration over time of DTC and NSCC. As an initial step in this plan, DTC and NSCC have elected uniform Boards of Directors. The next step proposed in the plan is to establish a holding company with DTC and NSCC as operating subsidiaries.

A prime consideration in the DTC/NSCC integration plan is that DTC and NSCC each will continue to be insulated from the risks and obligations of the other. Under the proposed rule change, DTC will add new Section 7 to its Rule 2 to disclaim liability for any obligations of NSCC and to clarify that NSCC will not be liable for the obligations of DTC. NSCC has proposed similar revisions to its rules.³

As a separate matter, DTC's rules currently provide that in the unlikely event DTC were to cease providing some or all of its services, DTC's participants fund would be available to cover any DTC wind down costs not otherwise defrayed by service fees or other available resources. The proposed rule change will amend Section 1 of DTC's

Rule 4 to make clear that the required fund deposits of participants would be increased if necessary to cover such costs.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(2) of the Act⁴ and the rules and regulations thereunder applicable to DTC. The proposed rule change will not affect the safeguarding of securities and funds in DTC's custody or control or for which it is responsible.

(B) Self-Regulatory Organization's Statement on Burden on Competition

DTC does not believe that the proposed rule change will impose any burden on competition 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

Written comments from DTC participants have not been solicited or received on the proposed rule change.

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

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety 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 DTC consents, the Commission will:

(A) By order approve such 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, 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. 20549-609. 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 DTC. All submissions should refer to File No. SR-DTC-99-11 and should be submitted by August 24, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-19877 Filed 8-2-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41666; File No. SR-NASD-99-31]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Automated Confirmation and Transaction Service Desk

July 28, 1999.

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 June 15, 1999, the National Association of Securities Dealers, Inc. ("NASD" or "Association"), through its wholly owned subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), filed a proposed rule change with the Securities and Exchange Commission ("SEC" or "Commission"). The proposed rule change is described in Items I, II, and III below, which Items have been prepared by Nasdaq. Nasdaq filed Amendment No. 1 to the proposal on June 18, 1999.³ The Commission is publishing this notice to solicit comments on the proposed rule changes from interested persons.

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 includes Exhibit A, which was missing from NASD's original filing. See letter to Katherine A. England, Assistant Director, Division of Market Regulation ("Division"), SEC, from Robert E. Aber, Senior Vice President and General Counsel, Nasdaq, dated June 17, 1999.

² The Commission has modified the text of the summaries prepared by DTC.

³ File No. SR-NSCC-99-07.

⁴ 15 U.S.C. 78q-1(b)(2).