

Applicant's name
Claim number

Annuity Payment Election Form

To have your annuity payments made by Direct Deposit, please complete Section A. You may also receive Direct Deposit by completing a Standard Form 1199A (available at most financial institutions). If you want to receive your payments by check, please complete Section B to request a waiver of the Direct Deposit requirement.

Section A - Payment by Direct Deposit

I want to receive my annuity payments by Direct Deposit into the account indicated below. I have checked with my financial institution and confirmed that the following information is correct.

Account number	Account type <input type="checkbox"/> Checking <input type="checkbox"/> Savings
Financial institution routing number 	Call your financial institution for the routing number. We cannot pay by Direct Deposit without it. If your financial institution indicates the information on your personal check is correct for Direct Deposit, you may attach a voided check instead of entering the information here.
Name, address and telephone number of your financial institution. ()	
Signature	Date

Section B - Payment by Check

I want to be paid by check. I therefore request waiver of the requirement that I be paid by Direct Deposit. I understand that I may sign up for Direct Deposit at a later date.

Signature	Date
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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-35758; File No. SR-DTC-95-10]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Proposed Rule Change Seeking To Implement the Advice of Confirm Correction/Cancellation Feature and To Modify the Authorization/Exception Processing Feature of the Institutional Delivery System

May 24, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,¹ notice is hereby given that on April 27, 1995, The Depository Trust Company ("DTC") 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 primarily by DTC. 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 proposed rule change involves the Advice of Confirm Correction/Cancellation feature and a modification of Authorization/Exception processing in the Institutional Delivery ("ID") system of DTC.²

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.³

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

In a previous filing with the Commission, DTC described several enhancements to the ID system that it planned to implement, including the Advice of Confirm Correction/Cancellation feature and the modification of Authorization/Exception processing.⁴ These are the subject of this proposed rule change.

The Advice of Confirm Correction/Cancellation feature is one of three electronic mail features described in the Enhanced ID Filing. The other two electronic mail features are the Notice of Order Execution and Institution Instructions, which were the subjects of another DTC filing.⁵ The Advice of Confirm Correction/Cancellation feature will enable an institution or its agent which has received a confirmation through the ID system to notify the broker-dealer of the reason(s) why the institution disagrees with the confirmation. This communication from the institution, which is sometimes called a "DK" (i.e., don't know) of the trade, will enable the broker-dealer to take steps to resolve the discrepancy between its records of the trade and the institution's records. The Advice of Confirm Correction/Cancellation was described in another DTC filing as a feature which will enable a prime broker to DK a trade when it receives an ID confirmation from an executing broker.⁶

The Enhanced ID Filing also described a planned modification of Authorization/Exception processing to extend the period during which delivering parties are allowed to authorize settlement of trades or to except trades from settlement. Prior to the modification, only ID trades which settled on the third day following the trade date ("T+3") or later could be authorized or excepted from settlement through an instruction submitted in Authorization/Exception processing on settlement date minus one ("S-1"). The

⁴ Securities Exchange Act Release No. 33466 (January 12, 1994), 59 FR 3139 [File No. SR-DTC-93-07] (order approving proposed rule change relating to the enhanced ID system) ("Enhanced ID Filing").

⁵ Securities Exchange Act Release No. 34199 (June 10, 1994), 59 FR 31660 [File No. SR-DTC-94-04] (order granting accelerated approval of a proposed rule change to implement the interactive capabilities and the electronic mail features of the enhanced ID system).

⁶ Securities Exchange Act Release No. 34779 (October 3, 1994), 59 FR 34779 [File No. SR-DTC-94-13] (order granting accelerated approval on a temporary basis through May 31, 1995, of the prime broker option in the ID system).

modification allows authorization or exception of trades settling on T+1 and later through an instruction submitted on any of the twenty-three business days from S-1 through S+21.

DTC believes the proposed rule change is consistent with the requirements of Section 17A(b)(3) (A) and (F)⁷ of the Act since the proposed rule change will promote efficiencies in the clearance and settlement of transactions in securities. The proposed rule change will be implemented consistently with the safeguarding of securities and funds in DTC's custody or control or for which it is responsible since the proposed rule change will be implemented as enhancements to DTC's existing ID system.

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

DTC perceives no impact on competition by reason of the proposed rule change.

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

The proposed rule change has been developed through widespread consultations with securities industry members, as described in the Enhanced ID Filing.⁸ Written comments from DTC participants or others 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 the self-regulatory organization 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street,

⁷ 15 U.S.C. 78q-1(b)(3) (A) and (F) (1988).

⁸ *Supra* note 3.

¹ 15 U.S.C. 78s(b)(1) (1988).

² The modifications are set forth in the procedures attached as Exhibit 2 to File No. SR-DTC-95-10. The procedures are an addition to Section M of the ID System of DTC's Participant Operating Procedures. The file is available for review in the Commission's Public Reference Room and at the principal office of DTC.

³ The Commission has modified the text of the summaries prepared by DTC.

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 in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-DTC-95-10 and should be submitted within June 22, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-35756; File No. SR-Phlx-95-02]

Self-Regulatory Organizations; Order Approving Proposed Rule Change and Amendment No. 1 to the Proposed Rule Change, and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 2 to the Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to Additional Expirations for Cash/Spot German Mark Foreign Currency Options ("3D Options")

May 24, 1995.

On January 25, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("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 list series of cash/spot German mark foreign currency options ("3D Options") having up to 12 months to expiration. On February 24, 1995, the Exchange filed Amendment No. 1 to the proposed rule change.³ Notice of the proposed

rule change and Amendment No. 1 thereto appeared in the **Federal Register** on March 27, 1995.⁴ No comment letters were received on the proposed rule change, as amended. The Exchange subsequently filed Amendment No. 2 to the proposal on May 9, 1995.⁵ This order approves the Exchange's proposal, as amended.

On March 8, 1994, the Commission approved the listing and trading of 3D Options.⁶ 3D Options are issued by The Options Clearing Corporation and are European-style.⁷ These FCOs currently have one-week and two-week expirations and were originally designed to provide a hedging vehicle for: sophisticated retail customers, portfolio managers, and multi-national corporations which need to hedge their short term foreign currency exposure; and to banks which need to hedge the risks associated with trading in the forward and cash markets.

The Exchange represents that the users of 3D Options have particularly liked the U.S. dollar settlement feature and have indicated to the Exchange that they would like to be able to use an exchange-traded U.S. dollar settled FCO to hedge longer-term currency risks. As a result, in addition to the current one-week and two-week expiration series of 3D Options, the Phlx proposes to list series of 3D Options on the March, June, September, and December cycle and the two near-term months. Phlx Rules 1012(a)(ii) (B) and (C) are being amended to reflect these additional series of options.

The expiration date for these longer-term 3D Options will be the Monday

("FCOs"); and (3) specify the strike price intervals applicable to the longer-term 3D Options. See Letter from Michele Weisbaum, Associate General Counsel, Phlx, to Brad Ritter, Senior Counsel, Office of Market Supervision ("OMS"), Division of Market Regulation ("Division"), Commission, dated February 24, 1995. Amendment No. 1 also clarified the proposal to allow spread margin between the 3D Options and the regular Deutsche mark FCO. This proposal, however, was later withdrawn in Amendment No. 2. See Amendment No. 2, *supra* note 5.

⁴ See Securities Exchange Act Release No. 35520 (March 21, 1995), 60 FR 15807.

⁵ In Amendment No. 2, the Exchange withdrew its request for spread margin treatment between the Exchange's German mark FCOs and the 3D Options. Additionally, the Exchange notified the Commission that it is terminating its agreement with one of the two outside vendors that it had contracted with to calculate the settlement value of the 3D Options. See Letter from Michele Weisbaum, Associate General Counsel, Phlx, to Brad Ritter, Senior Counsel, OMS, Division, Commission, dated May 8, 1995 ("Amendment No. 2").

⁶ See Securities Exchange Act Release No. 33732 (March 8, 1994), 59 FR 12023 (March 15, 1994) ("3D Approval Order").

⁷ A European-style option may only be exercised during a specified time period immediately prior to expiration of the option.

preceding the third Wednesday of each month. The Exchange will not list 3D Options with month-end expirations or series with more than 12 months to expiration.⁸

Currently, 3D Options are listed with the symbol XDA, XDB, XDC, XDD, or XDE depending on whether they will expire on the first, second, third, fourth, or fifth Monday of the month, respectively. Because the proposed longer-term 3D Options will expire on the Monday before the third Wednesday of each month, they will always expire on either the second or third Monday of the month. Accordingly, the longer-term 3D Options will be listed with the symbol XDB or XDC and will carry that symbol until expiration.

3D Options are currently listed in one-half point strike price intervals. The longer-term 3D Options listed for the three near term months will also be listed in one-half point strike price intervals. The 3D Options listed with six, nine, or twelve months to expiration will have one point strike price intervals.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5)⁹ in that the proposal is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, and to protect investors and the public interest. Specifically, the Commission believes that the proposal is designed to provide investors an additional means of hedging foreign currency portfolios and cash flows with longer-term market risk, thereby facilitating transactions in FCOs. The Commission believes that by allowing the Phlx to list these options with up to 12 months to expiration, investors will be provided with greater flexibility to tailor FCO positions to satisfy their investment objectives.¹⁰ In

⁸ The Exchange is also amending Phlx Rules 1000, 1012, 1014, 1057, and 1069 to change references from "cash/spot" FCOs to "3D" FCOs, as these options are more commonly referred to. The Exchange is also making some non-substantive changes to Rule 1012 for ease of reading.

⁹ 15 U.S.C. 78f(b)(5) (1988).

¹⁰ Pursuant to Section 6(b)(5) of the Act, the Commission must predicate approval of any new option proposal upon a finding that the introduction of such new derivative instrument is in the public interest. Such a finding would be difficult for a derivative instrument that served no hedging or other economic function because any benefits that might be derived by market participants likely would be outweighed by the potential for manipulation, diminished public confidence in the integrity of the markets, and other valid regulatory concerns.

⁹ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ In Amendment No. 1, the Exchange proposed to: (1) amend the procedure for the symbols that will be used for the proposed longer term 3D Options, (2) change the name of these options in Phlx's rules from "cash/spot" to "3D" foreign currency options