

last trading day (Thursday) for expiring Am-settled options.

Currently, Rule 1006A provides that restrictions on exercise may be in effect until the opening of business on the last trading day before the expiration date. The last trading day before expiration is generally Friday, for PM-settled options and Thursday for AM-settled options. Thus, the current language would permit restrictions on exercise to remain in effect until the opening of business on Friday for PM-settled options, but only until Thursday for AM-settled options. The Exchange proposes to amend Rule 1006A to state that restrictions on exercise may be in effect until the opening of business on the last business day before expiration, which is generally Friday for all index options, whether AM or PM-settled. As a result, restrictions on exercise would be permissible for all index options on Thursday, but not Friday.

In support of this proposal, the Exchange notes that OCC Rules permit such restrictions on Thursday, because OCC provisions refer to the last "business" day.⁴ Additionally, the proposed rule change is consistent with a recent proposal by the Chicago Board Options Exchange, Incorporated ("CBOE").⁵

The Exchange also proposes to delete the remainder of Rule 1006A, which references restrictions on exercise respecting specific index options, namely the Bank Index, Big Cap Index and Value Line Index. These index options are European style, such that exercise is prohibited, by definition, until its expiration date. Any restrictions on exercise which may be imposed cannot be in effect on expiration (Saturday), because Rule 1006A would only permit such restriction until the opening on Friday. Thus, the restrictions on exercise in Rule 1006A have no effect on the ability to exercise a European style index option, which by definition, cannot be exercised until Saturday.

Following a review of index rules, the Phlx has determined that Rule 1000A requires an amendment to correct the definition of "European style option" to correspond to the comparable equity option provision in Rule 1000(b)(35), as well as the rules of the other options exchanges and the OCC.⁶ Specifically, a

European style option can only be exercised on its expiration date.

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act, in general, and furthers the objectives of Section 6(b)(5), in particular, in that it is designed to promote just and equitable principles of trade, and protect investors and the public interest, by coordinating the Exchange's ability to impose restrictions on the exercise of index options with the provisions of other options exchanges and the OCC.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Because the foregoing rule change constitutes a stated policy, practice or interpretation with respect to the meaning, administration or enforcement of an existing rule of the Exchange, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b-4 thereunder. 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. 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. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to SR-Phlx-95-36 and should be submitted by July 5, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-14539 Filed 6-13-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35821; File No. SR-NYSE-95-11]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to Adoption of Rule 440A ("Telephone Solicitation—Recordkeeping") and an Interpretation With Respect to Proposed Rule 440A

June 7, 1995.

On March 22, 1995, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to 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 adopt new Rule 440A ("Telephone Solicitation-Recordkeeping") and to add an interpretation with respect to the meaning and administration of proposed Rule 440A.

The proposed rule change was published for comment in Securities Exchange Act Release No. 35597 (April 12, 1995), 60 FR 19427. No comments were received on the proposal.

I. Description of the Proposal

The proposed rule would require members and member organizations that engage in telephone solicitations to maintain a centralized list of persons who do not wish to receive telephone solicitations. The Exchange also proposes to add an interpretation concerning the meaning and administration of proposed Rule 440A with respect to compliance with the Federal Communications Commission ("FCC") and SEC rules relating to telemarketing practices. The Exchange proposes to publish the interpretation as an Interpretation Memorandum for

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁴ See OCC By-Laws, Article VI, Section 17, Exercise Restrictions.

⁵ See Securities Exchange Act, Release No. 35307 (January 31, 1995), 60 FR 7606 (February 8, 1995).

⁶ See OCC By-Laws, Article XVII, Section 2(b), General Rights and Obligations of Holders and Writers of Index Options.

inclusion in the Exchange Interpretation Handbook.

II. Discussion

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, with the requirements of Section 6(b).³ In particular, the Commission believes the proposal is consistent with the Section 6(b)(5) requirement that the rules of an exchange be designed to prevent fraudulent and manipulative acts and practices in that it addresses the practices of Exchange members and member organizations who make telemarketing calls. Proposed Rule 440A and the interpretation concerning the meaning and administration of proposed Rule 440A, require a specific practice, the maintenance of a "do-not-call" list. The purpose of maintaining a "do-not-call" list is to prevent such manipulative acts by members and member organizations, such as persistent calls to investors who have expressed their desire not to receive telephone solicitations.

The Commission also believes the proposal is consistent with the Section 6(b)(5) requirement to protect investors and the public interest. Proposed Rule 440A and the interpretation thereto, protects investors and the public interest by enforcing members' and member organizations' compliance with investors' desire not to receive such calls. In addition, the proposed interpretation reminds members and member organizations that they are subject to the requirements of the rules of the FCC and the SEC relating to telemarketing practices and the rights of telephone consumers. For example, the FCC requires persons or entities making telephone solicitations to maintain a do-not-call list for the purpose of any future telephone solicitations.⁴

III. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁵ that the proposed rule change (SR-NYSE-95-11) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-14470 Filed 6-13-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21119; File No. 812-9456]

IL Annuity and Insurance Company, et al.

June 7, 1995.

AGENCY: Securities and Exchange Commission ("Commission" or "SEC").

ACTION: Notice of application for an Order under the Investment Company Act of 1940 (the "1940 Act").

APPLICANTS: IL Annuity and Insurance Company ("IL Annuity"), IL Annuity and Insurance Company Separate Account 1 ("IL Annuity Account"), and IL Securities, Inc.

RELEVANT 1940 ACT SECTIONS: Order requested under Section 6(c) of the 1940 Act granting exemptions from the provisions of Sections 26(a)(2)(C) and 27(c)(2) of the 1940 Act.

SUMMARY OF APPLICATION: Applicants seek an order permitting the deduction of a mortality and expense risk charge from the assets of the IL Annuity Account and other separate accounts established by IL Annuity in the future ("Other Separate Accounts") in connection with the issuance and sale of certain flexible premium deferred variable annuity contracts ("Contracts") and any contracts that are similar in all material respects to the Contracts ("Other Contracts"). Applicants also request that the exemptive relief extend to certain other broker-dealers which may serve in the future as a principal underwriter of the Contracts or Other Contracts ("Future Underwriters").

FILING DATE: The application was filed on January 31, 1995, and amended on May 22, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the Commission orders a hearing. Interested persons may request a hearing by writing to the Commission's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the Commission by 5:30 p.m. on July 3, 1995, and should be accompanied by proof of service on Applicants in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the requester's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the Commission's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, N.W., Washington, D.C. 20549. Applicants, Margaret H. McKinney, Esq., Associate General Counsel and Secretary, Indianapolis Life Insurance Company, 2960 North Meridian Street, Indianapolis, IN 46208.

FOR FURTHER INFORMATION CONTACT: Mark C. Amorosi, Attorney, or Wendy Finck Friedlander, Deputy Chief, at (202) 942-0670, Office of Insurance Products (Division of Investment Management).

SUPPLEMENTARY INFORMATION: Following is a summary of the application; the complete application is available for a fee from the Commission's Public Reference Branch.

Applicants' Representations

1. IL Annuity, formerly known as Sentry Investors Life Insurance Company, is a stock life insurance company organized under the laws of the Commonwealth of Massachusetts in 1966. IL Annuity is a wholly-owned subsidiary of the Indianapolis Life Group of Companies, Inc., which is a wholly-owned subsidiary of the Indianapolis Life Insurance Company ("ILICO"). ILICO is a mutual life insurance company chartered under Indiana law. IL Annuity is authorized to conduct life insurance and annuity business in 40 states and the District of Columbia. IL Annuity is the depositor and sponsor of the IL Annuity Account.

2. The IL Annuity Account was established by IL Annuity as a separate account under the laws of Indiana on November 1, 1994 as a funding medium for variable annuity contracts. The IL Annuity Account meets the definition of a "separate account" under the federal securities laws and is registered under the 1940 Act as a unit investment trust. The IL Annuity Account is divided into fifteen subaccounts (the "Variable Accounts") each of which will invest solely in the shares of a designated series (each a "Portfolio") of The Alger American Fund, the Fidelity Variable Insurance Products Fund, the Fidelity Variable Insurance Products Fund II, the Quest for Value Accumulation Trust, the T. Rowe Price International Series, Inc., the T. Rowe Price Fixed Income Series, Inc., and the Van Eck Investment Trust (the "Funds"). Each of the Funds is registered as a diversified, open-end management investment company under the 1940 Act.

3. IL Securities, Inc. ("ILS"), a broker-dealer registered under the Securities Exchange Act of 1934 and a member of the National Association of Securities Dealers, Inc., will serve as the distributor and principal underwriter for the Contracts. ILS is a wholly-owned subsidiary of the Indianapolis Life Group of Companies, Inc. Any Future Underwriter will be registered as a broker-dealer under the Securities Exchange Act of 1934 and will be a member of the National Association of Securities Dealers, Inc.

³ 15 U.S.C. 78f(b).

⁴ 47 CFR 64.1200.

⁵ 15 U.S.C. 78s(b)(2).

⁶ 17 CFR 200.30-3(a)(12).