

registration on Form N-8A on March 8, 1991. Applicant never filed a registration statement under section 8(b) of the 1940 Act or under the Securities Act of 1933.

2. On March 11, 1991, Applicant filed an application under section 6(c) of the 1940 Act for an exemption from various provisions thereof that were necessary in light of its organizational structure. Applicant stated that it intended to organize separate trusts in series form and to register units of each trust series for listing and trading on the Chicago Board Options Exchange, Inc. The stated purpose for this type of investment product was to make available to investors an instrument that closely tracked the underlying component shares of a stock index and traded like a share of common stock. The Standard & Poor's 500 Composite Price Index was to serve as the underlying index for the first trust series. By letter dated November 19, 1991, the SEC granted Applicant's request for withdrawal of the application.

3. Applicant has never issued or sold any securities and has no security holders. Applicant has never engaged, and does not propose to engage, in business activities of any kind.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-14746 Filed 6-15-95; 8:45 am]
BILLING CODE 8010-01-M

[Release No. 34-35832; File No. SR-CHX-95-13]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Stock Exchange, Incorporated Relating to the Technical Correction of Its Rule Regarding Letters of Guarantee

June 9, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. § 78s(b)(1), notice is hereby given that on May 30, 1995, the Chicago Stock Exchange, Incorporated ("CHX" or "Exchange") 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 self-regulatory organization. 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, pursuant to Rule 19b-4 of the Act, proposes to amend Rule 9 of Article XI by redesignating one of the two rules that is currently designated as Article XI, Rule 9 as Article XI, Rule 10.

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 self-regulatory organization 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 self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

In SR-CHX-95-03, the CHX codified into CHX Article XI, Rule 9 a requirement that non self-clearing brokers procure a letter of guaranty prior to trading.¹ However, the codification inadvertently misnumbered this rule as Article XI, Rule 9.² The purpose of the proposed change is to correct this inadvertent error by renumbering the rule requiring non self-clearing brokers to procure a letter of guaranty prior to trading as Rule 10 of Article XI.

The proposed rule change is consistent with Section 6(b)(5) of the Act because it is designed to promote just and equitable principles of trade, to remove impediments, and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

The Exchange believes the proposed rule change will impose no burden on competition.

¹ Securities Exchange Act Release No. 35550 (Mar. 30, 1995), 60 FR 17376.

² A preexisting Article XI, Rule 9 was approved January 27, 1995. See Securities Exchange Act Release No. 35287 (Jan. 27, 1995), 60 FR 6743 (approving SR-CHX-94-28).

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.

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

The foregoing rule change is concerned solely with the administration of the Exchange and, therefore, 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 such proposed rule change, the Commission may summarily abrogate such rule changes 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, 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 at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Chicago Stock Exchange. All submissions should refer to File No. SR-CHX-95-13 and should be submitted by July 7, 1995.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-14745 Filed 6-15-95; 8:45 am]
BILLING CODE 8010-01-M

[Release No. 34-35835; File No. SR-Amex-95-21]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc., Relating to the Listing and Trading of Indexed Term Notes.

June 9, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on May 31, 1995, the American Stock Exchange, Inc. ("Amex" or "Exchange") 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 Amex. 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 proposes to approve for listing and trading under Section 107A of the Amex Company Guide ("Guide"), Indexed Term Notes ("Notes"), the return on which will be based in whole or in part on changes in the value of ten equity securities ("Index"). The text of the proposed rule change is available at the Office of the Secretary, the Amex, 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 Amex has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

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

Under Section 107 of the Guide, the Exchange may approve for listing and trading securities which cannot be readily categorized under the listing criteria for common and preferred stocks, bonds, debentures, or warrants.¹ The Amex now proposes to list for

trading, under Section 107A of the Guide, Notes whose value is based in whole or in part on a static index composed of ten actively-traded equity securities. The securities to be included in the Index will be those selected by the issuer of the Notes, Lehman Brothers, Inc. ("Lehman"), on or about July 1, 1995, as their selections of ten securities that they believe will outperform the stock market during the succeeding twelve months.² The securities in the Index will be selected by Lehman based on its market research and investment strategy, and will be announced at or as close as possible to the time of the offering of the Notes.

The Notes will be non-convertible debt securities and will conform to the listing guidelines under Section 107A of the Guide.³ Although the specific maturity date will not be established until immediately prior to the time of the offering, the Notes will provide for maturity within approximately one year from the date of issue. The Notes may provide for periodic payments and/or payments at maturity based in whole or in part on changes in the value of the Index. In addition, the Notes may feature a "cap" on the maximum amount to be paid either periodically or at maturity. The Notes, however, will provide that at maturity, holders will receive not less than 90% of the initial issue price. Consistent with other structured products listed by the Amex, the Amex represents that prior to the commencement of listing and trading of the Notes, the Exchange will distribute a circular to its membership providing guidance with regard to member firm compliance responsibilities, including appropriate suitability criteria and/or guidelines.

² Lehman refers to these ten securities as the "Lehman 10 Uncommon Values in Common Stocks." Lehman has generated similar lists on an annual basis for many years. Telephone conversation between Michael Bickford, Vice President, Capital Markets Group, Amex, and Brad Ritter, Senior Counsel, Office of Market Supervision, Division of Market Regulation, Commission, on June 7, 1995.

³ Specifically, the Notes must have: (1) a minimum public distribution of one million trading units; (2) a minimum of 400 holders; (3) an aggregate market value of at least \$4 million; and (4) a term of at least one year. Additionally, the issuer of the Notes, Lehman, must have assets of at least \$100 million, stockholders' equity of at least \$10 million, and pre-tax income of at least \$750,000 in the last fiscal year or in two of the three prior fiscal years. As an alternative to these financial criteria, the issuer may have either: (1) assets in excess of \$200 million and stockholders' equity in excess of \$10 million; or (2) assets in excess of \$100 million and stockholders' equity in excess of \$20 million.

Eligibility Standards for Index Components

The Exchange represents that each of the components in the Index will meet the following criteria at the time of the issuance of the Notes: (1) a minimum market capitalization of \$75 million, except that one component may have a market capitalization of not less than \$50 million; (2) trading volume in each of the six months prior to the offering of the Notes of not less than one million shares, except that one of the component securities may have a trading volume in each of the six months prior to the offering of the Notes of not less than 500,000 shares; (3) at least nine of the component securities will meet the then current criteria for standardized options trading set forth in Exchange Rule 915;⁴ and (4) all components of the Index will be listed on the Amex or the New York Stock Exchange, or will be National Market securities traded though Nasdaq.⁵

Index Calculation

The Index will be calculated using an "equal dollar-weighting" methodology designed to ensure that each of the component securities is represented in an approximately equal dollar amount in the Index. To create the Index, a portfolio of equity securities will be established by the issuer representing an investment of \$10,000 in each component security (rounded to the nearest whole share). The value of the Index will equal the current market value of the sum of the assigned number of shares of each of the component securities divided by the current Index divisor. The Index divisor will initially be set to provide a benchmark value of 100.00 at the time that the Notes are priced for issuance.

The number of shares of each component stock in the Index will remain fixed except in the event of certain types of corporate actions such as the payment of a dividend (other than an ordinary cash dividend), a stock distribution, stock split, reverse stock split, rights offering, distribution, reorganization, recapitalization, or similar event with respect to the component securities. The number of shares of each component security may

⁴ For these purposes, the Commission notes that in addition to the other requirements in Amex Rule 915, any security issued by a non-U.S. company that is included in the Index must also satisfy the requirements set forth in Amex Rule 915, Commentary .03. A non-U.S. company is defined as any company formed or incorporated outside of the United States.

⁵ The Commission notes that all components of the Index will be required to be subject to last sale reporting pursuant to Rule 11Aa3-1 of the Act.

¹ See Securities Exchange Act Release No. 27753 (March 1, 1990), 55 FR 8626 (March 8, 1990).

also be adjusted, if necessary, in the event of a merger, consolidation, dissolution, or liquidation of an issuer or in certain other events such as the distribution of property by an issuer to shareholders, the expropriation or nationalization of a foreign issuer, or the imposition of certain foreign taxes on shareholders of a foreign issuer. Shares of a component security may be replaced (or supplemented) with other securities under certain circumstances, such as the conversion of a component security into another class of security, the termination of a depositary receipt program, or the spin-off of a subsidiary. If the security remains in the Index, the number of shares of that security may be adjusted, to the nearest whole share, to maintain the component's relative weight in the Index at the level immediately prior to the corporate action.⁶ In all cases, the divisor will be adjusted, if necessary, to ensure continuity of the value of the Index.

The value of the Index will be calculated continuously by the Amex and disseminated every 15 seconds over the Consolidated Tape Association's Network B.

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5) in particular, in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments to and perfect the mechanism of a free and open market and a national market system.

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

The Ampex does not believe that the proposed rule change will impose any inappropriate 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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i)

⁶Lehman will not attempt to find a replacement stock or compensate for the extinction of a security due to bankruptcy or a similar event.

as the Commission may designate up to 90 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, 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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. Sr-Amex-95-21 and should be submitted by July 7, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-14794 Filed 6-15-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35837; File No. SR-NYSE-94-45]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to Member Organization Facilitation of a Customer Stock or Program Orders

June 12, 1995.

I. Introduction

On December 6, 1995, the New Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission ("SEC" or

⁷ 17 CFR 200.30-3(a)(12) (1994).

"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 regarding member organization facilitation of customer stock or program orders.³ On January 11, 1995, the Exchange submitted Amendment No. 1 to the proposed rule change.⁴

The proposed rule change was published for comment in Securities Exchange Act Release No. 35230 (January 13, 1995), 69 FR 4453 (January 23, 1995). One comment letter was received on the proposal.⁵

II. Description of Proposal

The NYSE proposal consists of an Information Memorandum to advise Exchange members of certain activities that the Exchange will consider inconsistent with just and equitable principles of trade. Specifically, the Memorandum discusses facilitation of customer block orders at the close, trading based upon information of imminent customer transactions, and procedures to review facilitation activities for compliance with Exchange rules and federal securities laws.

First, the Memorandum discusses a member's responsibilities when positioning itself to facilitate a customer transaction to be executed after the close at the closing price.⁶ The Memorandum states that a member should not trade for its own account "near the close" if it intends to execute an "at the close" order⁷ that reasonably can be expected to affect the closing price of the security. Whether or not the purchase will be deemed near the close will depend upon the degree of risk that reasonably

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ NYSE Rule 80A defines the term "program trading" as (1) index arbitrage or (2) any trading strategy involving the related purchase or sale of a "basket" or group of 15 or more stocks having a total market value of \$1 million or more.

⁴ See fax from Donald Siemer, NYSE, to Beth Stekler, SEC, dated January 11, 1995 (consisting of a revised Memorandum). The amendment made certain technical corrections to the text of the Memorandum.

⁵ See *infra* note 10 and accompanying discussion.

⁶ Although the Memorandum uses an example where the member has agreed to sell to a customer at the closing price, and therefore is purchasing stock before and at the close, the principles discussed in the Memorandum would apply equally to the situation where the member agrees to purchase stock from the customer at the closing price and therefore sells the security before and at the close. See letter from James Buck, Senior Vice President and Secretary, NYSE, to Brandon Becker, Director, Division of Market Regulation, SEC, dated April 19, 1995 ("NYSE Letter").

⁷ An "at the close order" is a market order which is to be executed in its entirety at the closing price on the Exchange. If the order is not executed at the closing price, it is treated as cancelled. See NYSE Rule 13.