

operation of the Service pending Commission action on the proposed extension.

The NASD believes that accelerated approval is appropriate to ensure continuity in the Service's operation pending a determination on permanent status for the Service, as requested in File No. SR-NASD-92-7. Continued operation of the Service will ensure the availability of an electronic quotation medium to support member firms' market making in approximately 5,238 OTC Equities and the widespread dissemination of quotation information on these securities. The Service's operation also expedites price discovery and facilitates the execution of customer orders at the best available price. From a regulatory standpoint, the NASD's capture of quotation data from participating market makers supplements the price and volume data reported by member firms pursuant to Part XII of Schedule D to the NASD By-Laws.

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 Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by July 28, 1995.

V. Commission's Findings and Order Granting Accelerated Approval

The Commission finds that approval of the proposed rule change is consistent with the Act and the rules and regulations thereunder, and, in particular, with the requirements of Section 15A(b)(11) of the Act, which provides that the rules of the NASD relating to quotations must be designed to produce fair and informative quotations, prevent fictitious or misleading quotations, and promote

orderly procedures for collecting, distributing, and publishing quotations.

The Commission finds good cause for approving the proposed rule change prior to the 30th day after the date of publishing notice of the filing thereof. Accelerated approval of the NASD's proposal is appropriate to ensure continuity in the Service's operation as an electronic quotation medium that supports NASD members' market making in these securities and that facilitates price discovery and the execution of customers' orders at the best available price. Additionally, continued operation of the Service will materially assist the NASD's surveillance of its members trading in OTC Equities that are eligible and quoted in the Service, and in non-Tape B securities that are listed on regional exchanges and quoted in the OTCBB by NASD members.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change be, and hereby is, approved for an interim period through September 28, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-35922; File No. 10-100]

Exempted Exchanges; AZX, Inc.; Amendment to Application for Exemption From Registration as an Exchange Under Section 5 of the Securities Exchange Act of 1934; Request for Comments

June 30, 1995.

I. Introduction

AZX, Inc., formerly known as Wunsch Auction Systems, Inc., operates the Arizona Stock Exchange ("AZX"), a computerized, single-price auction system that facilitates trading of registered equity securities by broker-dealers and institutions. AZX's single-price auctions are conducted outside the regular trading hours of the New York Stock Exchange ("NYSE"), at 5:00 p.m. (ET) each trading day. AZX operates pursuant to the terms and conditions of a Commission order ("exemption order") granting AZX a "limited volume" exemption from registration as a national securities exchange,¹ and a staff no-action letter with respect to the non-registration of AZX as a broker-

dealer, clearing agency, transfer agent, and exclusive securities information processor.² In the exemption order, the Commission cited AZX's off hours operation as one of the factors that justified a prediction that AZX would have a limited volume of trading.³

On June 2, 1995, AZX, Inc. filed with the Commission, pursuant to Rule 6a-1 under the Act,⁴ an amendment to its application for exemption from registration as a national securities exchange. In its amendment, AZX, Inc. proposes to operate AZX during regular trading hours.⁵ Under the proposal, AZX would conduct one additional daily auction, at a yet-to-be chosen fixed time between 9:45 and 10:00 a.m. (ET), in Nasdaq National Market securities.⁶ AZX initially plans to trade only 15 of the approximately 4,140 Nasdaq National Market securities, but will expand as demand warrants.

The Commission is soliciting public comment on whether it is appropriate to amend the exemption order to reflect AZX's proposed morning trading session in Nasdaq National Market securities.

II. The Morning Trading Session

AZX's proposed morning auction is identical to AZX's current evening auction in terms of its: (1) Participation criteria; (2) means of access to the system; (3) classification and visibility of orders; (4) algorithm for discovering the price at which orders will be executed (the "equilibrium" or "auction" price); (5) confirmation, clearance and settlement of matched transactions; and (6) commission structure.

The proposed morning trading auction will differ in terms of:

- *Eligible securities.* Securities eligible to be traded in the morning auction will be limited to Nasdaq National Market securities. Both Nasdaq National Market and exchange-listed

² Letter regarding Wunsch Action Systems, Inc. (February 28, 1991) ("no-action letter"). The no-action letter also provided AZX's original crossing broker, Bankers Trust Brokerage Corporation ("BTBC") with relief with respect to non-registration as an exchange, clearing agency, transfer agent, and exclusive securities information processor. BTBC was replaced as AZX's crossing broker by Investment Technology Group, Inc. ("ITG, Inc.") in February 1995.

³ The other factors cited by the Commission in the exemption order that justified a prediction of limited volume were the relative infrequency of the auctions and the absence of participation by broker-dealers with market-making obligations. 56 FR 8377, 8380.

⁴ 17 CFR 240.6a-1.

⁵ "Regular trading hours" refers to the time period in which the NYSE permits trading—9:30 a.m. to 4:00 p.m. (ET) each trading day.

⁶ Nasdaq National Market securities were formerly known as "Nasdaq/MNS" securities.

¹ Securities Exchange Act Release No. 28899 (February 20, 1991), 56 FR 8377.

securities are eligible for trading in the evening auction.

- *Time period for order entry.* The time period during which a participant may enter a limit order for auction trading will be limited to the period from 9:00 a.m. to "auction end" time—a minimum of 45 minutes and a maximum of one hour. Participants in the evening auction may enter orders within a two-hour period (from 3:00 p.m. to 5:00 p.m.) prior to the auction end time.

- *Price increments for entered orders.* Order must be entered in 1/8 point price increments, and are limited to "odd" sixteenths (i.e., 1/16, 3/16, 5/16 etc). By contrast, participants in the evening auction enter orders in increments of 1/16 point, and those orders may fall both on even sixteenths and odd sixteenths.⁷

- *Transaction reporting.* ITG, Inc. will report transactions executed in the morning auction to the Nasdaq transaction reporting system. This is unlike the current after-hours auction, in which completed transactions are not reported to any consolidated transaction reporting system.⁸

III. Solicitation of Comment

The Commission is soliciting public comment on whether to amend the AZX exemption order to reflect the proposed trading session during regular trading hours in Nasdaq National Market securities. Interested persons should submit six copies of their comment letter to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of all submissions Commission will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street NW., Washington, DC. All submissions should refer to the file number in the caption above and should be submitted by July 28, 1995.

By the Commission.

Margaret H. McFarland,
Deputy Secretary.

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⁷ The purpose of the minimum 1/8 increment is to encourage early entry of Open Book orders, by protecting those orders from being out-bid or offered by small amounts, such as sixteenths, at the end of the auction. The purpose of requiring the minimum increments to fall on odd sixteenths is to allow a participant to enter an order at the midpoint of the standard spread in the Nasdaq market, so that a participant may potentially trade at a price that is within that standard spread.

⁸ AZX currently reports completed transactions to the NASD by facsimile transmission at the end of each auction. The transmissions include the name of the security traded, the volume sold, and the equilibrium price.

SMALL BUSINESS ADMINISTRATION

[License No. 02/72-0554]

Odyssey Partners SBIC, L.P.; Notice of Application for Transfer of Ownership

Notice is hereby given that an application has been filed with the Small Business Administration pursuant to Section 107.601 of Regulations governing small business investment companies (13 CFR 107.601 (1995) for a transfer of ownership of Odyssey Partners, SBIC, L.P. (Odyssey), 31 West 52nd Street, New York, New York 10019, under the provisions of the Small Business Investment Act of 1958, as amended (the Act), (15 U.S.C. 661 *et seq.*) and the Rules and Regulations promulgated thereunder.

The present limited and general partners of Odyssey plan to sell 100 percent of their partnership interests in the Licensee to Exeter Equity Partners, L.P. (Exeter). Odyssey will then be merged with and into Exeter, which shall be the surviving partnership and will continue its partnership existence under Delaware Law, and the separate partnership existence of Odyssey shall cease. The application contemplates that prior to the merger, Odyssey will distribute to its private limited partner and general partner all of the assets of Odyssey contributed to Exeter. Further, Odyssey is requesting approval as part of this merger to transfer to Exeter its existing commitment guarantee for participating securities issued by SBA to Odyssey in the amount totaling \$18 million.

Following the merger, the present and proposed change in ownership is as follows:

Name	Present percent of ownership	Proposed percent of ownership
Odyssey Partners, SBIC, L.P	100	0
Exeter Equity Partners, L.P	0	100

There will be no change in the surviving entity's existing limited or general partnership structure. The existing holders of more than 10% partnership interests of Exeter Equity Partners are as follows:

William A.M. Burden and Co	34.5%
Florence V. Burden Foundation	24.3%
Electra Investment Trust PLC	20.7%

Exeter Equity Advisors, L.P. will continue as the general partner of the merged entity.

Matters involved in SBA's consideration of the application include

the business reputation and character of the proposed owners and management, and the probability of successful operations of the merged entity under current management, including profitability and financial soundness in accordance with the Act and Regulations.

Notice is further given that any person may, not later than 15 days from the date of publication of this notice, submit written comments on the proposed transfer of ownership to the Associate Administrator for Investment, Small Business Administration, 409 3rd Street SW., Washington, D.C. 20416.

A copy of the Notice will be published in a newspaper of general circulation in New York, New York.

(Catalog of Federal Domestic Assistance Program No. 59-011, Small Business Investment Companies)

Dated: June 30, 1995.

Robert D. Stillman,

Associate Administrator for Investment.

[FR Doc. 95-16664 Filed 7-6-95; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

AC No. 20-AIR-DU; Proposed Advisory Circular (AC) on Voluntary Industry Distributor/Dealer Accreditation Program

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of availability of proposed AC.

SUMMARY: The guidance material in this AC describes voluntary programs in which distributors and dealers of civil aircraft parts can obtain accreditation of quality control systems, which would assure that the approval status of their parts is properly documented.

DATES: Comments must be received on or before August 4, 1995.

ADDRESSES: Send all comments and requests for copies of the proposed AC to: Federal Aviation Administration, Aircraft Maintenance Division, Attention: AFS-350, 800 Independence Avenue SW., Washington, DC 20591.

FOR FURTHER INFORMATION CONTACT: Richard E. Nowak, AFS-350, at the above address; telephone: (202) 267-7228 (8:30 a.m. to 5 p.m. EDT).

SUPPLEMENTARY INFORMATION: This proposed AC describes voluntary programs in which distributors and dealers of civil aircraft parts can obtain accreditation of quality control systems, which would assure that the approval