

Issued at Washington, DC this 24th day of July, 1995.

Martin Slate,

Executive Director, Pension Benefit Guaranty Corporation.

[FR Doc. 95-18608 Filed 7-27-95; 8:45 am]

BILLING CODE 7708-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-36010; File No. SR-Amex-95-27]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the American Stock Exchange, Inc. Relating to a Three Month Extension of Its Pilot Program That Amended Rule 109 to Permit Specialists to Grant Stops in a Minimum Fractional Change Market

July 21, 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 July 6, 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 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 requests a three month extension of a pilot program that amended Exchange Rule 109 to permit a specialist, upon request, to grant stops in a minimum fractional change market.¹

The text of the proposed rule change is available at the Amex and at the Commission.

¹ The Amex received approval to amend Rule 109, on a pilot basis, in Securities Exchange Act Release No. 30603 (Apr. 17, 1992), 57 FR 15340 (Apr. 27, 1992) (File No. SR-Amex-91-05) ("1992 Approval Order"). The Commission subsequently extended the Amex's pilot program in Securities Exchange Act Release Nos. 32185 (Apr. 21 1993), 58 FR 25681 (Apr. 27, 1993) (File No. SR-Amex-93-10) ("April 1993 Approval Order"); 32664 (July 21, 1993), 58 FR 40171 (July 27, 1993) (File No. SR-Amex-93-22) ("July 1993 Approval Order"); 33791 (Mar. 21, 1994), 59 FR 14432 (Mar. 28 1994) (File No. SR-Amex-93-47) ("1994 Approval Order"); and 35310 (Jan. 31, 1995), 60 FR 7236 (Feb. 7, 1995) (File No. SR-Amex-95-01) ("January 1995 Approval Order").

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 statement may be examined at the places specified in Item III below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspect of such statements.

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

1. Purpose

On January 31, 1995, the Commission extended its pilot approval of amendments to Exchange Rule 109 until July 21, 1995.² The amendments permit a specialist, upon request, to grant a stop³ in a minimum fractional change market⁴ for any order of 2,000 shares or less, up to a total of 5,000 shares for all stopped orders, provided there is an order imbalance, without obtaining prior Floor Official approval. A Floor Official, however, must authorize a greater order size of aggregate share threshold.

During the course of the pilot program, the Exchange has closely monitored compliance with the rule's requirements, analyzed the impact on orders on the specialist's book resulting from the execution of stopped orders at a price that is better than the stop price, and reviewed market depth in a stock when a stop is granted in a minimum fractional change market. The Exchange believes that the amendments to Rule 109 have provided a benefit to investors by providing an opportunity for price improvement, while increasing market depth and continuity without adversely affecting orders on the specialist's book. The Exchange is therefore proposing a three month extension of the pilot program that amended Exchange Rule 109.

² See January 1995 Approval Order, *supra*, note 1.

³ An agreement to "stop" stock at a specified price constitutes a guarantee by the member who grants the stop that the order of the member who accepts the stop will be executed at the stop price or better. See Amex Rule 109(a).

⁴ Amex Rule 127 sets forth the minimum fractional changes for securities traded on the Exchange.

2. Statutory Basis

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 promote just and equitable principles of trade, to remove impediments to and perfect the mechanisms of a free and open market, and, in general, to protect investors and the public interest. The Exchange believes that the proposed amendments to Rule 109 are consistent with these objectives in that they are designed to allow stops, in minimum fractional change market, under limited circumstances that provide for the possibility of price improvement to customers whose orders are granted stops.

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

The proposed rule change will impose no 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. 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, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-Amex-95-27 and should be submitted by August 18, 1995.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

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 Section 6(b)(5)⁵ and Section 11(b)⁶ of the Act. The Commission believes that the amendments to rule 109 should further the objectives of Section 6(b)(5) and Section 11(b) through pilot program procedures designed to allow stops, in minimum fractional change markets, under limited circumstances that provide the possibility of price improvement to customers whose orders are granted stops.

In the orders approving the pilot procedures,⁷ the Commission asked the Amex to study the effects of stopping stock in a minimum fractional change market. The Exchange has submitted to the Commission several monitoring reports regarding the amendments to Rule 109. The Commission believes that the monitoring reports, especially the latest report, provide useful information regarding the effectiveness of the program during the pilot period. The Commission, however, finds that additional time is necessary to evaluate carefully and comprehensively the information provided by the Exchange and the Amex's use of its pilot procedures. Accordingly, the Commission believes that it is reasonable to extend the pilot program until October 21, 1995, to avoid compromising the benefit that investors might receive under Rule 109, as amended, while the Commission is considering whether to permanently approve the pilot program.⁸

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of the notice of filing thereof. This will permit the pilot program to continue on an uninterrupted basis. In addition, the procedures the Exchange proposes to continue using are the identical procedures that were published in the **Federal Register** for the full comment period and were approved by the Commission. No comments were received at that time.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (SR-Amex-95-27) is hereby approved on a pilot basis until October 21, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-18603 Filed 7-27-95; 8:45 am]

BILLING CODE 8010-10-M

[Release No. 34-36014; File No. SR-Amex-95-19]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Temporary Approval of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Amendments to Rule 170 Pertaining to Specialists' Liquidating Transactions

July 21, 1995.

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 May 24, 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 and II 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 Amex requests permanent approval of a pilot program that amends Exchange Rule 170 to permit a specialist to effect a liquidating transaction on a zero minus tick, in the case of a "long" positions, or zero plus tick, when covering a "short" position, without Floor Official approval. The pilot program also amends Rule 170 to set forth the affirmative action that specialists are required to take subsequent to effecting various types of liquidating transactions. In the alternative, the Exchange is proposing a one year extension of the pilot program.

⁹ 15 U.S.C. 78s(b)(2) (1988).

¹⁰ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

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 III 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

1. Purpose

On April 22, 1994, the Commission approved, on a one year pilot basis, amendments to Exchange Rule 170 to permit a specialist to effect a liquidating transaction on a zero minus tick, in the case of a "long" position, or a zero plus tick, when covering a "short" position, without Floor Official approval.³ The amendments also set forth the affirmative action that specialists are required to take subsequent to effecting various types of liquidating transactions.

During the course of the pilot program, the Exchange has monitored compliance with the requirements of the Rule, and our findings in this regard have been forwarded to the Commission under separate cover. We believe that the amendments have provided specialists with flexibility in liquidating specialty stock positions in order to facilitate their ability to maintain fair and orderly markets, particularly during unusual market conditions. In addition, the specialist's concomitant obligation to participate as dealer on the opposite side of the market after a liquidating transaction has been strengthened.

The Exchange is therefore proposing approval of the amendments to Rule 170. In the alternative, the Exchange is requesting an extension of the pilot program for an additional one year period, if the Commission feels that further study and monitoring of the effects of the pilot program are necessary.

³ The Commission approved the pilot program in Securities Exchange Act Release No. 33957 (April 22, 1994), 59 FR 22188 (April 29, 1994) ("1994 Approval Order"). On April 21, 1995, the Commission granted a three month extension to the pilot program, ending on July 21, 1995. Securities Exchange Release No. 35635 (April 21, 1995), 60 FR 20780 (April 27, 1995).

⁵ 15 U.S.C. 78f (1988 & Suppl. V 1993).

⁶ 15 U.S.C. 78k (1988).

⁷ See *supra*, note 1.

⁸ See Securities Exchange Act Release No. 35909 (June 28, 1995), 60 FR 34562 (July 3, 1995) (notice of filing of proposed rule change relating to permanent approval of Amex's pilot program for stopping stock in a minimum fractional change market).