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 the file number SR–DTC–95–09 and should be submitted by October 10, 1995.

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

Jonathan G. Katz,

*Secretary.*

[FR Doc. 95–23089 Filed 9–15–95; 8:45 am]

**BILLING CODE 8010–01–M**

**[Release No. 34–36211; File No. SR–NASD–95–16]**

## Self-Regulatory Organizations; Order Approving Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to a Customer Complaint Reporting Rule

September 8, 1995.

On July 6, 1995, the National Association of Securities Dealers, Inc. (''NASD'' or ''Association'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') a proposed rule change [1] pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'') [2] and Rule 19b–4 thereunder.[3] The rule change amends the NASD Rules of Fair Practice to require NASD members to report to the NASD the occurrence of certain specified events and quarterly summary statistics concerning customer complaints.

Notice of the proposed rule change, together with its terms of substance, was provided by issuance of a Commission release [4] and by publication in the Federal Register.[5] No comments were received in response to the notice. This order approves the proposed rule change.

On May 19, 1994, the Commission's Large Firm Project Report was published, detailing the findings of a review it undertook, in conjunction with the New York Stock Exchange (''NYSE'') and the NASD, regarding the hiring, retention and supervisory practices of nine of the largest broker-dealers in the United States. This review was commenced because of increased concerns on the part of the Commission and others over the frequency and severity of sales practice abuses.

In the Report, Commission staff stressed the need for self-regulatory organizations (''SROs'') to develop better means of identifying sales practice problems at an earlier stage. Commission staff noted, in connection with its review, that the NYSE Rule 351 database was extremely useful and was a significant help to the staff in conducting its review. In general, NYSE Rule 351 is a broad reporting rule that requires members to report to the NYSE certain specified information that may reflect a violation of, among other things, the federal securities laws or the rules of the NYSE. In addition, NYSE Rule 351 requires members to report, on a periodic basis, statistical information regarding customer complaints. In the Report, Commission staff recommended that the NASD adopt a rule based on NYSE Rule 351 and require its members to report customer complaint information on a quarterly basis as an additional tool to aid in the identification of problem brokers.

In its rule filing, the NASD expressed concern that critical material information identified in the proposed rule, such as reports on statutory disqualifications, internal disciplinary actions, and quarterly statistical data regarding customer complaints received by a member is not currently required by Form U–4 or other forms to be reported to the NASD. The NASD believes, therefore, that the affirmative obligation of members to provide the NASD with notice of certain events concerning member firms or their associated persons will significantly enhance the NASD's ability to quickly identify and take appropriate action against problem representatives.

The proposed rule change is similar to NYSE Rule 351. The Rule will require a member to file a report with the NASD when any of 10 different specified events occur. These events range from situations where a court, government agency, or SRO has determined that there has been a violation of the securities laws, to circumstances where a firm has received a written customer complaint alleging theft or misappropriation of funds or securities, or forgery. The rule also will require a person associated with a member to promptly report the existence of any of the ten events to the member. Moreover, the rule will require a member to report to the NASD statistical and summary information regarding written customer complaints received by the member or relating to the firm or any of its associated persons. The reporting requirements of the proposed rule will not apply to members that are subject to similar reporting requirements of another SRO. For example, NASD members that are also members of the NYSE will not be subject to the NASD's rule.

The Commission has determined to approve the NASD's proposal. The Commission finds that the rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to the NASD, including the requirements of Sections 15A(b) (6) and (7) of the Act.[6] Section 15A(b)(6) requires, in part, that the rules of a national securities association be designed to prevent fraudulent and manipulative acts and practices; to promote just and equitable principles of trade; and to protect investors and the public interest. Section 15A(b)(7) requires that the rules of a national securities association provide that its members and persons associated with its members shall be appropriately disciplined for violation of any provision of the Act, the rules or regulations thereunder, or the rules of the association. The Commission believes that the proposed rule will provide important regulatory information that will assist in the detection and investigation of sales practice violations. This, in turn, should assist the NASD in carrying out its disciplinary responsibilities as well as assist it in protecting investors and the public from fraudulent and manipulative acts and practices. As noted above, the Commission itself found such information extremely useful in its review of sales practice abuses.

It is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,[7] that the proposed rule change SR–NASD–95–16 be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[8]

[9] 17 CFR 200.30–3(a)(12) (1994).

[1] The proposed rule change was initially submitted on May 1, 1995, but was amended twice prior to publication in the Federal Register; once on May 25, 1995, and again on July 6, 1995.

[2] 15 U.S.C. 78s(b)(1)

[3] 17 CFR 240.19b–4.

[4] Securities Exchange Act Release No. 35956 (July 11, 1995).

[5] 60 FR 36838 (July 18, 1995).

[6] 15 U.S.C. 78*o*–3(b) (6) & (7).

[7] 15 U.S.C. 78s(b)(2).

[8] 17 CFR 200.30–3(a)(12).

Margaret H. McFarland,
*Deputy Secretary.*
[FR Doc. 95–23017 Filed 9–15–95; 8:45 am]
**BILLING CODE 8010–01–M**

**[Rel. No. IC–21347; 812–9560]**

## London Pacific Life & Annuity Company, et al.; Notice of Application

September 12, 1995.

**AGENCY:** Securities and Exchange Commission (''SEC'').

**ACTION:** Notice of Application for Exemption under the Investment Company Act of 1940 (the ''Act'').

**APPLICANTS:** London Pacific Life & Annuity Company (the ''Company''), London Pacific Financial and Insurance Services (the ''Distributor''), and LPLA Separate Account One (the ''Separate Account''); on behalf of themselves and other separate accounts that the Company or the Distributor may establish to support individual variable deferred annuity contracts issued by the Company (''Future Accounts'' and, together with the Separate Account, the ''Accounts'').

**RELEVANT ACT SECTIONS:** Order requested under section 6(c) of the Act that would exempt applicants from sections 26(a)(2)(C) and 27(c)(2) of the Act.

**SUMMARY OF APPLICATION:** Applicants request an order to permit them to deduct a mortality and expense risk charge and a distribution charge from the assets of the Accounts, in connection with individual variable deferred annuity contracts.

**FILING DATES:** The application was filed on March 30, 1995, and amended on August 23, 1995.

**HEARING OR NOTIFICATION OF HEARING:** An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on October 10, 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 writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

**ADDRESSES:** Secretary, SEC, 450 5th Street N.W., Washington, D.C. 20549. Applicants: 3109 Poplarwood Court, Raleigh, North Carolina 27604.

**FOR FURTHER INFORMATION CONTACT:** Sarah A. Buescher, Staff Attorney, at (202) 942–0573, or C. David Messman, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

**SUPPLEMENTARY INFORMATION:** The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

### Applicants' Representations

1. The Company is a stock life insurance company organized in North Carolina and is authorized to sell life insurance and annuities in forty states and the District of Columbia.

2. The Separate Account is a segregated asset account established by the Company to fund certain individual variable deferred annuity contracts to be issued by the Company (the ''Contracts''). In the future, the Company may issue other variable annuity contracts that are materially similar to the Contracts (''Future Contracts'').

3. The Separate Account is registered as a unit investment trust under the Act. The Separate Account is divided into subaccounts. Each subaccount will invest in the shares of a portfolio of LPT Variable Insurance Series Trust (the ''Trust''). The Trust is registered as an open-end management investment company under the Act. In the future, the Company may create additional subaccounts.

4. The Distributor will serve as the distributor of the Contracts. The Distributor is registered under the Securities Exchange Act of 1934 as a broker-dealer and is a member of the National Association of Security Dealers, Inc.

5. The Contracts would be available for individuals in retirement plans that may or may not qualify for federal income tax advantages. The Contracts require a minimum initial contribution of $10,000, except for Individual Retirement Annuities, which require a $1,000 minimum initial contribution. The minimum subsequent contribution is $1,000, or $100 if the owner elects the periodic investment plan option. Contract owners may allocate contributions to one or more subaccounts of the Separate Account and to the fixed account.

6. The Contracts provide for different guaranteed death benefits, depending on the age of the Contract owner and the maturity date. If the Contract owner or the oldest joint owner dies before age 75 and during the accumulation period, the death benefit is equal to the greater of the following: (a) the ''Adjusted Contribution,'' which is the initial contribution increased for subsequent contributions and reduced for subsequent partial withdrawals in the same proportion that the Contract value was reduced on the date of the withdrawal; (b) the Contract value determined as of the end of the valuation period during which the Company receives both due proof of death and an election of the payment method; or (c) the Contract value on the most recent seven year Contract anniversary or the Adjusted Contributions as of the most recent seven year Contract anniversary, whichever is greater. This amount is increased for subsequent contributions and reduced for subsequent partial withdrawals in the same proportion that the Contract value was reduced on the date of the withdrawal. If the owner or oldest joint owner dies on or after age 75, but before age 85 and during the accumulation period, the death benefit will follow the same formula as above and will be subject to any applicable Contingent Deferred Sales Charge (''CDSC'') determined at the time the death benefit is paid. If the Contract owner or oldest joint owner dies on or after age 85 and during the accumulation period, the death benefit will be the Contract value determined as of the end of the valuation period during which the Company receives due proof of death and an election for the payment method, less any applicable CDSC determined at the time the death benefit is paid.

7. The Contract owner may transfer all or part of the owner's interest in a subaccount or the fixed account. If more than the number of free transfers have been made in a Contract year, the Company will deduct a Transfer Fee for each subsequent transfer.

8. If all or a portion of an owner's unliquidated (not previously surrendered or withdrawn) contribution is withdrawn within the first seven Contract years, applicants will assess a CDSC. The amount of the CDSC is as follows:

| Contract year in which withdrawal occurs | Charge as percentage of amount withdrawn |
|---|---|
| 1 | 7 |
| 2 | 7 |
| 3 | 6 |
| 4 | 5 |
| 5 | 4 |
| 6 | 3 |
| 7 | 2 |
| 8 and after | 0 |