

most significant aspects of such statements.

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

The proposed rule change reflects increased charges for the provision of telecommunications services underlying Nasdaq Workstation II Service, and clarifies the various component functions encompassed within the circuit installation fee so that the true nature of the charge is made clear to new subscribers. These requirements would pertain only to new subscribers or existing subscribers that have defaulted on the payment of their charges.

Note that the proposed rule change has become effective immediately upon filing with respect to NASD members as indicated in Section III below. A companion filing, which applies the proposed rule change to non-member subscribers, is being filed separately pursuant to Section 19(b)(2) of the Act.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act, which requires that the rules of the Association provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system which the association operates or controls.

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

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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

With respect to NASD members, the foregoing rule change has become effective immediately pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b-4 thereunder because it establishes or changes a due, fee or other charge imposed by the NASD. At any time within 60 days of the filing of such rule change, the Commission may summarily abrogate the 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 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 November 16, 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.

[FR Doc. 95-26546 Filed 10-25-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36397; File No. SR-NASD-95-48]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Non-Member Subscriber Deposits for Nasdaq Level 2/3 Service and Equipment

October 20, 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 October 11, 1995, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. 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

Pursuant to the provisions of Section 19(b)(1) under the Act, the NASD is proposing to revise the subscriber deposit requirements contained in Part VIII, Paragraph G.1. and 2. of Schedule D to the NASD By-Laws. The text of the proposed rule change is as follows. (Additions are italicized; deletions are bracketed.)

Schedule D

Part VIII

Schedule of NASD Charges for Services and Equipment

G. Subscriber Deposits

New and existing subscribers to Level 2/3 or Nasdaq Workstation™ servicer shall be subject to the following deposit charges per unit:

1. New subscriber
 - a. estimated *telecommunications provider* [installation] charges [including cable, freight and telephone company charges;] *for network infrastructure, connection and testing;*
 - b. two (2) months *circuit* [service and equipment] charges; and
 - c. estimated *telecommunications provider* disconnect charges [including Harris disconnect and freight charges].
2. Existing subscribers subject to subscriber deposits include those that have been placed on the termination list two or more times within a two year period; those that have paid for services with one or more NSF checks; and those that have had service disconnected for non-payment but have not had equipment removed:
 - a. two (2) *circuit* [service and equipment] charges; and
 - b. estimated *telecommunications provider* disconnect charges [including Harris disconnect and freight charges].

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 NASD 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 NASD 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

The proposed rule change reflects increased charges for the provision of

telecommunications services underlying Nasdaq Workstation II service, and clarifies the various component functions encompassed within the circuit installation fee so that the true nature of the charge is made clear to new subscribers. These requirements would pertain only to new subscribers or existing subscribers that have defaulted on the payment of their charges.

Note that the instant filing applies only to non-member subscribers. A companion filing, which applies the proposed rule change to member subscribers, is being filed separately for immediate effectiveness.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) of the Act, which requires that the rule of the Association provide for the equitable allocation of reasonable dues, fees and other charges among members and issuers and other persons using any facility or system while the association operates or controls.

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

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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) 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 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 November 16, 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.

[FR Doc. 95-26545 Filed 10-25-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36403; File No. SR-NASD-95-15]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to a Statement of Policy to Establish Internal NASD Procedures Delegating to the NASD Staff and the Fixed Income Committee Authority to Review Requests by Members for Exemptions from Rule G-37(b) of the Municipal Securities Rulemaking Board

October 20, 1995.

On April 15, 1995,¹ the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities

¹ The NASD submitted two amendments to the proposed rule change prior to publication of notice in the Federal Register, and one amendment subsequent to publication of notice in the Federal Register. Amendment No. 1, submitted on August 15, 1995, deleted all portions of the proposed rule change addressing the ability of NASD members to apply to the Commission for review of any denial by the NASD of a member's request for exemption from Municipal Securities Board Rule G-37. Amendment No. 2, submitted on August 23 revised the proposed rule change to clarify the types of violations of Rule G-37 for which a member could request exemptions. Amendment No. 3, submitted on October 20, 1995, amends the NASD Code of Procedure by adding a footnote to the title referencing the procedures established in the proposed rule change.

Exchange Act of 1934 ("Act"),² and Rule 19b-4 thereunder.³ The proposed rule change adopts a statement of policy to establish internal NASD procedures⁴ delegating to the NASD staff and the Fixed Income Committee the authority to review requests by members for exemptions from Rule G-37 of the Municipal Securities Rulemaking Board ("MSRB").⁵

Notice of the proposed rule change, together with the substance of the proposal, was provided by issuance of a Commission release (Securities Exchange Act Release No. 36151, August 24, 1995) and by publication in the Federal Register (60 FR 45202, August 30, 1995). No comment letters were received. This order approves the proposed rule change.

The Commission approved MSRB Rule G-37 on April 7, 1994.⁶ MSRB Rule G-37(b) prohibits any broker, dealer, or municipal securities dealer from engaging in municipal securities business with any issuer within two years after any contribution to an official of that issuer made by that broker, dealer, or municipal securities dealer, any municipal finance professional associated with that broker, dealer, or municipal securities dealer, or any political action committee controlled by that broker, dealer, or municipal securities dealer. The two year prohibition, however, is not triggered by contributions by a municipal finance professional to issuer officials for whom that municipal finance professional was entitled to vote if such contribution, in total, did not exceed \$250 per official per election. Subsequently, on June 3, 1994, the Commission granted accelerated approval to an amendment to MSRB Rule G-37⁷ to provide a procedure for a broker, dealer, or municipal securities dealer to seek exemptive relief from MSRB Rule G-37(b) if that broker, dealer, or municipal securities dealer discovers that a prohibited political contribution was made. Pursuant to Release 34-34160, subsection (i) to MSRB Rule G-37 permits the NASD to

² 15 U.S.C. 78s(b)(1).

³ 17 CFR 240.19b-4.

⁴ The internal NASD procedures established pursuant to the statement of policy will not amend existing rules contained in the NASD Code of Procedure or other existing NASD rules.

⁵ MSRB Manual, General Rules, Rule G-37 (CCH) ¶ 3681. MSRB Rule G-37 prohibits members from engaging in municipal securities business if certain political contributions have been made to municipal issuers.

⁶ Securities Exchange Act Release No. 33868 (April 7, 1994), 59 FR 17621 (April 13, 1994).

⁷ Securities Exchange Act Release No. 34160 (June 3, 1994), 59 FR 30376 (June 13, 1994) ("Release 34-34160").