

3. On March 29, 1995, applicant mailed proxy materials to its shareholders. The definitive proxy materials were filed with the Commission on March 31, 1995. On April 28, 1995, applicant's shareholders approved the reorganization.

4. On May 1, 1995, applicant transferred all of the assets and liabilities of each of its portfolios to the corresponding series of the Acquiring Fund based on the aggregate net asset value of the funds. Immediately after the transfer of assets, applicant distributed to shareholders of each of applicant's portfolios the shares it received from the corresponding Acquiring Fund's series in the reorganization. Each shareholder received the proportion of shares of the Acquiring Fund's series corresponding to the number of shares of beneficial interest of applicant's portfolio owned by such shareholder in relation to the number of such shares of applicant outstanding on that date.

5. Expenses consisted of legal costs, accounting costs, printing and mailing costs, and costs of proxy solicitation. In an agreement dated February 7, 1995, the Advest Group, Inc. and Massachusetts Financial Services agreed to pay certain expenses in connection with the reorganization. Applicant paid no portion of the expenses incurred on its behalf.

6. After receipt of the requested order, applicant will file the necessary documentation with the Commonwealth of Massachusetts to terminate its existence as a Massachusetts business trust.

7. There are no securityholders to whom distributions in complete liquidation of their interests have not been made. Applicant has retained no assets. Applicant has no debts or other liabilities that remain outstanding. Applicant is not a party to any litigation or administrative proceeding.

8. Applicant is not now engaged, nor does it propose to engage, in any business activities other than those necessary for the winding up of its affairs.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-26936 Filed 10-30-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36410; File No. 265-19]

Consumer Affairs Advisory Committee; Meeting

AGENCY: Securities and Exchange Commission.

ACTION: Notice of meeting of the Securities and Exchange Commission ("Commission") Consumer Affairs Advisory Committee ("Committee").

SUMMARY: This is to give notice that the Securities and Exchange Commission Consumer Affairs Committee will meet on November 15, 1995, in Room 1C30 at the Commission's Headquarters, 450 Fifth Street, N.W., Washington, D.C., beginning at 9:00 a.m. The meeting will be opened to the public. This notice also serves to invite the public to submit written comments to the Committee.

ADDRESSES: Written comments should be submitted in triplicate and should refer to File No. 265-19. Comments should be submitted to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

FOR FURTHER INFORMATION CONTACT: Nancy M. Smith, Director of the Office of Investor Education and Assistance (202) 942-7040; Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

SUPPLEMENTARY INFORMATION: In accordance with Section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. app 10a, the Securities and Exchange Commission Consumer Affairs Advisory Committee hereby gives notice that it will meet on November 15, 1995, in Room 1C30 at the Commission's Headquarters, 450 Fifth Street, N.W., Washington, D.C., beginning at 9:00 a.m. The meeting will be opened to the public.

The Committee's responsibilities include assisting the Commission in identifying investor problems and being more responsive to their needs. The Committee will explore fundamental issues of concern to investors, including matters currently under consideration by the Commission and topics of emerging concern to investors and the financial services industry.

The purpose of this meeting, among other things, will be to consider and review Commission developments on investor initiatives such as descriptions of risk in mutual funds, profile prospectuses, new rules governing municipal securities, proposals to improve trading prices for investors, compensation practices, arbitration and other current issues.

Dated: October 25, 1995.

Jonathan G. Katz,
Advisory Committee Management Officer.
[FR Doc. 95-26897 Filed 10-30-95; 8:45 am]
BILLING CODE 8010-01-M

[Release Nos. 33-7236; 34-36412; International Series Release No. 875]

Exemptions From Rules 10b-6, 10b-7, and 10b-8 During Distributions of Certain Dutch Securities

October 25, 1995.

Pursuant to delegated authority, on October 19, 1995, the Division of Market Regulation issued a letter granting class exemptions from Rules 10b-6, 10b-7, and 10b-8 ("Trading Practice Rules") under the Securities Exchange Act of 1934 to facilitate distributions in the United States of the securities of certain highly capitalized Dutch issuers. The exemptions permit transactions that otherwise would be prohibited by the Trading Practice Rules, subject to certain disclosure, recordkeeping, record production, and notice requirements.

The exemptions have been issued pursuant to the Commission's Statement of Policy contained in Securities Exchange Act Release No. 33137 (November 3, 1993), and are published to provide notice of their availability.

Margaret H. McFarland,
Deputy Secretary.

October 19, 1995.

John D. Wilson, Esq.
Shearman & Sterling, 12 rue d'Astorg, 75008 Paris, France

Re: Distributions of Certain Dutch Securities
File No. TP 95-439

Dear Mr. Wilson: In regard to your letter dated October 16, 1995, as supplemented by conversations with the staff, this response thereto is attached to the enclosed photocopy of your correspondence. By doing this, we avoid having to recite or summarize the facts set forth in your letter. Each defined term in this letter has the same meaning as defined in your letter, unless otherwise noted herein.

Response

On the basis of your representations and the facts presented, the Commission hereby grants exemptions from Rules 10b-6, 10b-7, and 10b-8 under the Securities Exchange Act of 1934 ("Exchange Act") to distribution participants, as defined in Rule 10b-6(c)(6)(ii), and their affiliated purchasers, as defined in Rule 10b-6(c)(6)(i) (collectively, "Relevant Parties"), in connection with transactions in Relevant Securities (as defined below) outside the United States during distributions of Qualified Dutch Securities (as defined below) subject to the following terms, conditions, and limitations:

I. Securities

A. The security being distributed ("Qualified Dutch Security") must:

1. be issued by (a) a "foreign issuer" within the meaning of Rule 3b-4 under the Exchange Act incorporated under the laws of The Netherlands, which issuer ("Dutch Issuer") has outstanding a component security of the Amsterdam EOE-Index ("AEX");¹ or (b) a subsidiary of a Dutch Issuer described in paragraph I.A.1.a.; and

2. satisfy one of the following:

a. be an equity security of a Dutch Issuer which security has an aggregate market value that equals or exceeds the equivalent of NLG 1.6 billion (which exceeded US\$1 billion as of October 16, 1995), and a worldwide average daily trading volume that equals or exceeds the equivalent of NLG 8 million (which exceeded US\$5 million as of October 16, 1995), as published by foreign financial regulatory authorities ("FFRAs")² and any U.S. securities exchanges or automated inter-dealer quotation systems during the Reference Period; or

b. be a security that is convertible into, exchangeable for, or a right to acquire a security of a Dutch Issuer described in paragraph I.A.2.a. above.

B. "Relevant Security" means:

1. a Qualified Dutch Security; or

2. a security of the same class and series as, or a right to purchase, a Qualified Dutch Security.³

II. Transactions Effected in the United States

All transactions in Relevant Securities effected in the United States shall comply with Rules 10b-6, 10b-7, and 10b-8.

III. Transactions Effected in the Netherlands

¹References to the AEX refer to the composition of the index on the date of this letter; *provided, however*, that any security added to the AEX after the date of this letter also will be treated as a Qualified Dutch Security if its issuer satisfies the requirements in paragraph I.A.1. and such security has an aggregate market value that equals or exceeds the equivalent of NLG 1.6 billion (which exceeded US\$1 billion as of October 16, 1995) and an average daily trading volume that equals or exceeds the equivalent of NLG 8 million (which exceeded US\$5 million as of October 16, 1995) as published by "foreign financial regulatory authorities" (as defined below) and any U.S. securities exchanges or automated inter-dealer quotation systems, during a period ("Reference Period") that is 20 consecutive business days in Amsterdam within 60 consecutive calendar days prior to the commencement of the Covered Period as defined in paragraph III.A. below.

²An FFRA is defined in Section 3(a)(51) of the Exchange Act, 5 U.S.C. 78(c)(51), as any (A) foreign securities authority; (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent, or other financial activities; or (C) membership organization a function of which is to regulate participation of its members in activities listed above. The Amsterdam Stock Exchange ("ASE") together with the Stock Exchange Association ("SEA") is considered to be an FFRA.

³You do not request and this letter does not grant any relief with respect to transactions in options effected on the Amsterdam EOE Optiebeurs.

A. All transactions during the Covered Period (as defined below) in Relevant Securities effected in The Netherlands shall be conducted in compliance with Dutch law and the rules of the ASE. For purposes of these exemptions, "Covered Period" means: (i) in the case of a rights distribution, the period commencing when the subscription price is determined and continuing until the completion of the distribution in the United States, and (ii) in the case of any other distribution, the period commencing three business days in Amsterdam before the price is determined and continuing until the completion of the distribution in the United States; *provided, however*, that the Covered Period shall not commence with respect to any Relevant Party until such person becomes a distribution participant.

B. All transactions in Relevant Securities during the Covered Period effected in The Netherlands on a principal basis shall be effected or reported on the trading facilities of the ASE (including the Automatic Interprofessional Dealing System Amsterdam and the Amsterdam Stock Exchange Trading System).

C. Disclosure of Trading Activities.⁴

1. The inside front cover page of the offering materials used in the offer and sale in the United States of a Qualified Dutch Security shall prominently display a statement in substantially the following form, subject to appropriate modification where circumstances require. Such statement shall be in capital letters, printed in bold-face roman type at least as large as ten-point modern type and at least two points leaded:

In connection with this offering, certain persons may engage in transactions for their own accounts or for the accounts of others in [identify relevant securities] pursuant to exemptions from rules 10b-6, 10b-7, and 10b-8 under the Securities Exchange Act of 1934. See "[identify section of offering materials that describes the transactions to be effected]."

2. In addition, there shall be included in the identified section of the offering materials a comprehensive description of the activities that may be undertaken by the Relevant Parties in the Relevant Securities during the distribution.

D. Recordkeeping and Reporting.

1. Each Relevant Party shall provide to the SEA the information described in paragraph III.D.2. below with respect to its transactions in Relevant Securities in The Netherlands; *provided, however*, that in the case of a distribution made pursuant to rights, such information is only required to be reported to the SEA during the period or periods commencing at any time during the Covered Period that the rights exercise price does not represent a discount of at least 10 percent from the then current market price of the security underlying the rights and continuing until (a) the end of the Covered Period or (b) until the rights exercise price represents a discount of at least 12 percent from the then

⁴Unless subsequently modified by the Commission, this disclosure requirement shall not apply to distributions effected solely pursuant to Rule 144A under the Securities Act of 1933 ("Securities Act").

current market price of the security underlying the rights.⁵

2. When required pursuant to paragraph III.D.1. above, the Relevant Parties will provide the following information to the SEA, in a Comma Delimited ASCII (American Standard Code for Information Interchange) format including a common record layout acceptable to the SEA and the Division of Market Regulation ("Division"), with respect to transactions during the Covered Period in Relevant Securities:

a. name of the security, date, time (of execution and reporting, where available to the Relevant Party), price, and volume of each transaction; *provided, however*, that no information regarding a customer transaction need be provided unless such transaction has a value of NLG 500,000 or more (approximately US\$315,000 as of October 16, 1995);

b. the exchange or inter-dealer quotation system on which the transaction was effected, if any;

c. an indication whether such transaction was for a proprietary account or the account of a customer, *provided that* any transaction effected by an underwriter for a customer account for which it has exercised discretionary authority shall be reported as a proprietary trade; and

d. the identity of a counterparty only where such counterparty is an underwriter or a selling group member.

3. The SEA and the Relevant Parties shall keep all documents produced or prepared pursuant to paragraph III.D.2. above for a period of not less than two years.

4. Upon the request of the Division, the SEA shall transmit the information provided by the Relevant Parties pursuant to paragraph III.D.2. above to the Division within 30 days of the request.

5. If the information required to be produced in paragraph III.D.2. above is not available from the SEA, upon the request of the Division such information shall be provided by the Relevant Party and be made available to the Division at its office in Washington, DC.

6. Representatives of a Relevant Party will be made available (in person at the office of the Division or by telephone) to respond to inquiries of the Division relating to its records.

IV. Transactions Effected in Significant Markets

A. All transactions in Relevant Securities in a "Significant Market," as defined below, shall be effected in accordance with the requirements of Rules 10b-6, 10b-7, and 10b-8, except as permitted by paragraph IV.B. below or by other available exemptions. For purposes of these exemptions, "Significant Market" means: (i) SEAQ International or any other dealer market outside the United States and The Netherlands for which price and volume information is published by an FFRA or (ii) any other securities market(s) in a single country other than the United States or The

⁵For purposes of these exemptions, unless stated otherwise, the market price for a security shall be the closing price on the ASE.

Netherlands to which a Dutch Issuer has applied for listing the Qualified Dutch Security and been accepted, if during the Reference Period the volume in either (i) or (ii) in such Qualified Dutch Security, as published by the relevant FFRA(s) in such securities market is 10 percent or more of the aggregate worldwide trading volume in that security published by all FFRAs in (i) and (ii), FFRAs in The Netherlands, and U.S. securities markets to which such Dutch Issuer has applied for listing such Qualified Dutch Security and been accepted.

B. Any transactions by Relevant Parties in a "Relevant SEAQ International Security," as defined in *Letter regarding Distributions of Certain United Kingdom Securities and Certain Securities Traded on SEAQ International* (January 10, 1995) ("United Kingdom Exemptions Letter"), that are effected in the United Kingdom shall be made subject to the terms and conditions of the United Kingdom Exemptions Letter.

V. General Conditions

A. For purposes of these exemptions, a two business day cooling-off period shall apply under Rule 10b-6(a)(4) (xi) and (xii) in the United States and each Significant Market, provided that trading in Relevant Securities in Significant Markets shall be subject to the exemptive relief then available in such market, if any, or the record maintenance and record production requirements contained in *Letter regarding Application of Cooling-Off Periods Under Rule 10b-6 to Distributions of Foreign Securities* (April 4, 1994).

B. The lead underwriter or the global coordinator or equivalent person shall promptly, but in any event before the commencement of the Covered Period, provide a written notice ("Notice") to the Division containing the following information: (i) The name of the issuer and the Qualified Dutch Security; (ii) whether the Qualified Dutch Security is an AEX component security or information with respect to the market capitalization and the average daily trading volume of the Qualified Dutch Security to be distributed; (iii) the identity of the Significant Markets where the Qualified Dutch Security trades; (iv) if the Notice is for more than one entity, the identity of all underwriters and selling group members relying on these exemptions;⁶ and (v) a statement that the Relevant Parties are aware of the terms and conditions of these exemptions. Reference is made to the notice requirement of the United Kingdom Exemptions Letter for any transactions in a Relevant Security that is a Relevant SEAQ International Security for purposes of that letter.

C. Any person who fails to comply with the conditions of the exemptions, including a failure to provide requested information, would not be permitted to rely on the exemptions in future distributions. Upon a showing of good cause, however, the Commission or the Division may determine that it is not necessary under the circumstances that the exemptions be denied.

⁶Supplemental Notices shall be provided for underwriters and selling group members identified after a Notice has been filed.

The foregoing exemptions from Rules 10b-6, 10b-7, and 10b-8 are based solely on your representations and the facts presented, and are strictly limited to the application of those rules to the proposed transactions. Any different facts or representations might require a different response. Responsibility for compliance with any other applicable provisions of the federal securities laws must rest with the Relevant Parties. The Division expresses no view with respect to any other questions that the proposed transactions may raise, including, but not limited to, the adequacy of disclosure of any other federal or state laws to the proposed transactions.

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

Nancy J. Sanow,
Assistant Director.

October 16, 1995.

Division of Market Regulation
*Securities and Exchange Commission, 450
Fifth Street, NW., Washington, DC 20549,
U.S.A.*

Attention: Ms. Nancy J. Sanow, Assistant
Director, Office of Trading Practices
Exemptions from Rules 10b-6, 10b-7 and
10b-8 for Distributions of Certain Dutch
Securities

Dear Ms. Sanow: We are acting as counsel to ABN AMRO Bank N.V. and the Amsterdam Stock Exchange ("ASE") in connection with possible registered equity offerings of actively-traded securities of certain Dutch companies, involving a distribution of some or all of the equity securities of such companies in the United States. On behalf of ABN AMRO Bank N.V. and the ASE we hereby submit the following application to the Securities and Exchange Commission (the "Commission") for exemptions from Rules 10b-6, 10b-7 and 10b-8 (the "Trading Rules") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), for distributions of qualified Dutch securities consistent with the Commission's International Series Release No. 606.

We seek exemptions for distributions of Dutch securities that are component securities of the Amsterdam EOE-Index (the "AEX")¹, where the Dutch issuer has a market capitalization that equals or exceeds U.S. \$1 billion (approximately NLG 1.6 billion at October 16, 1995)² and a worldwide average daily trading volume that equals or exceeds \$5 million (approximately NLG 8 million at October 16, 1995), as more fully discussed below.

I. Offerings By Dutch Companies

A. Primary and Secondary Offerings

In primary offerings, Dutch companies can issue shares either pursuant to rights

¹The AEX is a continuously updated, market-capitalization-weighted performance index based on the prices of shares of 25 leading Dutch companies listed on the ASE. The AEX component securities are selected on the basis of their effective trading volumes on the ASE. See Exhibit 1 for a list of the AEX component securities on the date hereof.

²1 NLG = U.S. 1.5979 (on October 13, 1995).

offerings or offerings of shares. Pursuant to Dutch corporate law, subject to certain exceptions, existing shareholders have pre-emptive rights to subscribe pro-rata to any capital increase or to sell their pre-emptive rights, which are separately tradeable securities, on the market. Dutch law also authorizes shareholders voting at a general shareholders' meeting to approve a capital increase and/or to restrict or exclude the current shareholders' pre-emptive rights. The general shareholders' meeting can also delegate authority to the issuer's management board or supervisory board, for up to five years, to decide in favor of a capital increase, set the terms of capital increases within an overall limit of authorized capital and restrict or exclude pre-emptive rights. Restricted pre-emptive rights might, for example, limit the number of shares in the offering reserved for existing shareholders. In primary offerings in The Netherlands, pre-emptive rights are often restricted or excluded. In the context of an offering without pre-emptive rights the issuer and the underwriting syndicate can nevertheless agree to provide certain priority rights to existing shareholders.

In primary offerings (other than rights offerings) and secondary offerings in The Netherlands, securities are typically distributed in the following manner. A syndicate of underwriters typically undertakes (in exchange for underwriters' compensation the terms of which vary from offering to offering) on a guaranteed basis to purchase and pay or procure purchasers and payment for the securities. In practice, the lead underwriter will normally have settled all major points (apart from price) with the issuer or the selling shareholder at least two or three weeks in advance of the issuer's or selling shareholder's decision to proceed with the offering. The lead underwriter typically advises the issuer or the selling shareholder and will guide the listing process. The publication of the preliminary prospectus (day 1) is followed by a period typically (but not always) lasting two weeks, during which the retail subscription is open and institutional bookbuilding is carried out. At the close of this period the offer price is decided following discussion between the lead underwriter, the issuer and any selling shareholders. On the next day, called "impact day", the offer price is announced, the underwriting agreement is signed, allocations are communicated to retail and institutional investors and trading in the securities commences. Closing and payment occurs three days later (day 18).

Before and during the offering period, the lead underwriter will normally advise the issuer or the selling shareholders as to various aspects of the offering, will assist the issuer in obtaining a listing of the securities if they are not already listed, and will have knowledge of the seller's intentions with respect to timing and size of the offering. Although the lead underwriter will have price-sensitive information regarding the securities and the offering, Article 10 of the Membership Rules SEA, together with the Code of Conduct on Confidential Information promulgated by the SEA in its Circulars numbered 91-30 and 91-43 dated March 28, 1991, require the underwriter's corporate

finance division to comply with a code of confidentiality, and thus to keep such information confidential from its credit and stockbroking divisions.

The Listing and Issuing Rules of the ASE require an application for the listing of shares in primary or secondary offerings to be made. This application must be submitted by both the issuer and a member of the Vereniging voor de Effectenhandel (Stock Exchange Association or "SEA"), usually the lead underwriter, who supports the application. The documents to be filed must include, among other things, a copy of the prospectus relating to the issuer, and the audited annual accounts of the issuer for the last five financial years. In most cases, a draft of the prospectus will already have been reviewed and approved by the SEA before the application is submitted. The SEA will decide upon the application. In the event the SEA grants authorization for listing, the issuer and the SEA will enter into a listing agreement pursuant to which the issuer will be required to comply with the SEA's Listing and Issuing Rules, circulars in connection therewith and Dutch law.

B. Rights Offerings

Offerings with pre-emptive rights permit the current shareholders in a Dutch company to participate in a capital increase *pro rata* or to sell their pre-emptive rights, which are securities separable from the shares, on the ASE. The structure and techniques of an offering with pre-emptive rights are similar to the structure and techniques as described under I.A. above of this letter.

II. The Amsterdam Market

The ASE is an organized stock exchange operated by the SEA. The ASE is subject to Dutch law and is not registered under the Exchange Act in any capacity. The SEA was founded on May 17, 1876 and is an association established under Dutch law.

The admission of equity securities to listing on the Official Market of the ASE is governed by the SEA's Listing and Issuing Rules, in addition to general Dutch law. Pursuant to the Listing and Issuing Rules, a company's stock may only be admitted to the Official Market of the ASE if the market value of the stock available for trading is at least NLG 50,000,000 (approximately US\$ 31,500,000 at October 16, 1995) and constitutes at least 5% of the company's issued capital. In addition, the available nominal amount of the stock must be at least 10,000 times larger than the smallest deliverable denomination of the stock. The Listing and Issuing Rules also include requirements as to prospectus disclosure and periodic reporting for companies listed on the ASE.

Trading on the floor of the ASE takes place on a continuous basis from 9.30 a.m. to 4.30 p.m. (Amsterdam time) each business day. The ASE distinguishes between trading in and processing large wholesale orders and smaller retail orders. For each of the two market segments a separate system has been developed. Whether a market transaction is carried out in the wholesale market or the retail market depends on whether the "wholesale limit", a turnover limit

determined per type of stock, is met. Orders that are below the wholesale limit set for a particular stock are generally executed in the retail segment of the market. Orders equal to or in excess of the wholesale limit set for a particular stock must be executed in the wholesale segment of the market.

The retail market segment operates through a hoekman and the Limit Order Book system. Opening prices in major securities listed on the ASE are fixed by the relevant hoekman, who is member of the ASE and designated by the SEA to act as a specialist for the relevant security. The hoekman fixes the opening quotation by balancing the available supply and demand for a security against the bid and asked prices for a security. After fixing the opening price, continuous trading in the security commences. The hoekman indicates prices, takes and matches orders from exchange members and reports the prices of actual transactions. Each hoekman is familiar with the range of bid and asked prices being quoted and is expected, in accordance with ASE practice, to maintain a fair and orderly market in the security, using his own funds as required. All trades are reported immediately by the hoekman to the ASE, are shown on the ASE's screen and are disseminated worldwide by trading data vendors. The closing price for a security is fixed by the hoekman at the actual price of the last trade in the relevant security on a given day. The Order Book is an electronic system through which all retail orders for a particular security are collected, sorted and executed. The hoekman may match orders for a security with retail orders in his Order Book or with orders for a security in the wholesale market.

Wholesale orders may be executed through the retail segment, by trading outside the ASE by telephone, or through two additional trading systems:

- The Automatic Interprofessional Dealing System Amsterdam ("AIDA"); and
- The Amsterdam Stock Exchange Trading System ("ASSET").

AIDA is a screen-based, quote-driven electronic trading system (comparable to the German IBIS system) through which ASE members can execute orders automatically for certain ASE designated securities. ASSET, comparable to the London-based SEAQ system, is a screen-based, competitive market making system, which permits ASE members to advertise bids and offers for certain ASE designated securities. Trading on AIDA and ASSET form part of trading on the ASE and trades thereon are subject to compliance with the ASE's rules and regulations. ASSET information is communicated to non-members via trading data vendors. Approximately 40 of the most actively traded ASE securities are traded through AIDA and ASSET.

Trading by telephone outside the ASE may take place between two ASE members, between an ASE member and an investor, or between an ASE member and a foreign intermediary. Most equity trades are, however, carried out through the ASE (*i.e.*, on the trading floor or through AIDA).

Details of all trades on the ASE (*i.e.*, retail trades and wholesale trades), including the time, price and volume of each trade, are

communicated to the SEA. The time, price and volume of retail and certain wholesale trades are reported on the ASE's screen-based information system. The time, price and volume of trades executed by an ASE principal and "megatrades" (trades far in excess of the wholesale trade threshold) must be reported within five minutes of the trade, to the Commissaris van de Notering (Commissioner of Quotation) of the SEA. Details of all trades on AIDA and ASSET are published by the SEA on the day following the trade.

At the close of each trading day, the ASE publishes the Officiële Prijscourant (Official Price List) containing a summary of the total volume of all trading per share during the trading day, together with the average price per hour of retail trades only. In the case of megatrades, members of the ASE may apply to the Commissioner of Quotation for publication of a trade to be delayed until settlement has been made between the parties. The ASE also publishes weekly and monthly summaries of the total volume of all retail trades, wholesale trades and megatrades.

III. Securities Regulation in the Netherlands

A. The Act on the Supervision of Securities Trade and the Securities Board

Securities regulation in The Netherlands is governed by the Wet Toezicht Effectenverkeer (the Act on the Supervision of the Securities Trade, or "ASST") and the implementing regulations thereunder. The Minister of Finance has delegated supervision of the securities regulation under the ASST to the Stichting Toezicht Effectenverkeer (the "Securities Board").

The Securities Board, a foundation established under Dutch law, is an independent legal entity, governed by a four to six member Bestuur (the "Governing Board"). Members of the Governing Board must be independent from operators of securities exchanges, brokers and underwriters in The Netherlands, and are appointed and dismissed by the Minister of Finance upon the recommendation of the Governing Board.

The Securities Board supervises the securities exchanges, including the ASE. In connection with its supervisory functions, the Securities Board has the power to obtain information from a securities exchange and to investigate its operations to determine whether the content, application and enforcement of the exchange's rules and regulations properly ensure the orderly functioning of the securities markets and safeguard the interests of investors active on such markets. The Securities Board also is empowered to determine whether there are grounds for filing a complaint of insider trading. The Securities Board has similar powers of investigation with respect to members of a securities exchange and is empowered to determine whether members are in compliance with the ASST, and the rules and regulations of the relevant securities exchange.

Securities exchanges in The Netherlands may only operate with the approval of the Minister of Finance. In order to obtain such approval, the securities exchange must

demonstrate that its operations and the content, application and enforcement of its rules and regulations properly ensure the orderly functioning of the securities markets and safeguard the interests of investors active on such markets. Once such approval has been granted, Dutch securities exchanges operate as self-regulating organizations and listed securities and members of a securities exchange are subject to the rules and regulations of the relevant securities exchange. The ASE is an approved stock exchange and has its own rules and regulations. The Compliance Department of the ASE is currently authorized to act on the Securities Board's behalf in connection with its investigatory, compliance and enforcement functions.

Failure by the operator of a securities exchange to comply with certain provisions of the ASST, including operating a securities exchange without the required approval, failure to comply with the terms and conditions of such approval, failure to comply with instructions given by the Securities Board or the Minister of Finance, or failure to provide information requested by the Securities Board or to cooperate with an investigation by the Securities Board, constitutes an economic offence under the Wet op de Economische Delicten (Financial Offences Act) and may lead to imprisonment and/or a fine.

B. The Stock Exchange Association

The SEA, as operator of the ASE, has adopted rules and regulations which apply to securities listed on the ASE. These rules and regulations include, but are not limited to, the Membership Rules, the Listing and Issuing Rules, the Securities Trading Rules, the Quotation Rules, and the Securities Complaints Rules. The SEA is responsible, among other things, for publishing price quotations, issuing a price list, providing general and specific information on securities trading, adopting rules and regulations for securities trading, and supervising observance of the rules and regulations (including adopting and administering measures of control and discipline, as well as penal provisions).

IV. Customary Market Activities of, and Trading Restrictions Imposed Upon, Underwriters During Offerings

A. Customary Market Activities During an Offering

In The Netherlands, banks are the underwriters of securities. The vast majority of Dutch banks provide a full range of commercial, investment banking and securities services in the tradition of universal banking. The financial activities of Dutch banks include traditional deposit and credit activities, securities activities (such as brokerage, underwriting and custodial services) and investment advisory services. The majority of trading in Dutch securities and derivatives is conducted by Dutch banks (or their affiliates) either for their own accounts or for the accounts of customers.

Subject to application of the trading restrictions described below, during an offering, the Dutch banks acting as underwriters would typically continue to

engage in a wide range of trading activities in relation to the offered securities or derivative instruments related to such securities. These activities include trading in securities in the ordinary course for their own account, market making and marketing, as well as brokerage, custodial, and investment advisory services (including managing customers' portfolios on a discretionary basis and managing mutual funds).

In addition, the lead underwriter would typically be involved in the maintenance of an orderly market in the securities during the distribution. Dutch underwriters manage their underwriting risks, and the lead underwriter manages the risks associated with maintaining an orderly market, in two principal ways: by going long or short, and by hedging through the Amsterdam EOE Optiebeurs. The underwriters may be active in trading all kinds of securities of an issuer, or derivative instruments related to such securities, in the cash market (*i.e.*, common or preferred shares, bonds with equity warrants, convertible bonds and straight bonds) and in the options and futures market (*i.e.*, equity options, futures, index options and index futures). In these markets, underwriters would both execute orders for customers and trade securities and derivatives for their own account. Other activities involve arbitrage trading between the various national and international exchanges where securities may be listed, index-arbitrage and basket-trading.

B. Trading Restrictions During an Offering

The Securities Trading Rules generally forbid ASE members from manipulating the trading price of a particular stock or from cooperating in such price manipulation. The SEA has issued a guideline with regard to price manipulation. According to the guideline, price manipulation includes the dissemination of false information in order to affect the trading price of a particular stock and any act or action which creates a false or misleading impression of the market in a particular stock, taking into consideration the circumstances of the case. The act of purchasing or selling a security during a distribution does not by itself constitute price manipulation; certain additional factors must be present. The Securities Trading Rules do not specifically define those additional factors.

The Securities Trading Rules provide, however, that trading activities during a permitted period (*i.e.*, the period commencing on the date of the announcement of the offering until thirty days after the closing date), undertaken to stabilize the price of a security during an offering, will not constitute price manipulation, provided that such activities are carried out in accordance with the Securities Trading Rules' stabilization provisions. Stabilization activities carried out outside the permitted period may, under certain circumstances, be considered to be price manipulation.

The rules on price stabilization define price stabilization as intervention in the market for the account of a syndicate within the framework of a securities transaction so

as to correct market imbalances in supply and demand. Price stabilization must be carried out with the intention of promoting stable price behavior and a fair and orderly market in the interests of investors and issuers. Price stabilization must be conducted by designated stabilizing underwriters and must be limited to purchase and sale transactions in the relevant stock and its related securities, provided that such transactions are made for the account and at the risk of the syndicate. The price stabilization rules also apply to transactions in the relevant stock and its related securities made by the stabilizing underwriters and bookrunners for their own accounts.

In principle, a stabilizing bid is allowed at any proposed price. However, price stabilization during the period commencing on the date of the announcement of the offering until the date of allocation of the securities is permitted only at or below the trading price at the time of the announcement of the offering (the "Reference Price") or the last preceding official quotation, whichever is the higher. If the stock is already listed on the ASE, the Reference Price must be in line with the last preceding official quotation on the ASE.

The underwriters' intention to engage in price stabilization must be disclosed prominently in the prospectus and on the Official Price List. If price stabilization commences before distribution of the prospectus, disclosure of the underwriters' intention to engage in price stabilization must be made to potential investors by alternative means on the date of the announcement of the offering.

Bookrunners and stabilizing underwriters must maintain a register, recording the date, time, price, volume and other details of each stabilization transaction made for the account and at the risk of the syndicate and of each transaction made by the stabilizing underwriters or bookrunners for their own accounts. This register must be available for immediate inspection by the Compliance and Enforcement Department of the ASE. In addition, the lead underwriter must enter into a written agreement with all syndicate members who are not ASE members, obliging them to make all transaction data and records necessary to verify compliance with the stabilization rules and regulations immediately available to the Compliance and Enforcement Department. If the examination by the Compliance and Enforcement Department of transaction data and records furnished by a syndicate member that is not an ASE member strongly suggests non-compliance, the SEA shall request the relevant foreign authorities to conduct a further investigation and to take measures, if necessary. Lead underwriters and co-leads may request the Compliance and Enforcement Department to institute an investigation if there is reason to suspect that the regulations have not been adequately observed. On behalf of the syndicate, the lead underwriters will have full access to the findings of the Compliance and Enforcement Department. Accordingly, the obligation of that Compliance and Enforcement Department under the SEA to observe secrecy does not apply to the identity of syndicate

members or to individual transaction information in the event of non-compliance with the rules and regulations.

In case of a primary or secondary offering of shares previously listed on the ASE, syndicate members not acting as stabilizing underwriters are required to refrain from active market making in the relevant stock during a specified restricted period. This prohibition applies from the date that written invitation to participate in the syndicate is received until the invitation to participate has been declined or until the lead underwriter has announced its decision to discontinue any stabilizing activities. The obligation to refrain from active market making applies to all syndicate members. With respect to non-members of the ASE, the lead underwriter will be obliged to ensure that the rules are complied with by stipulating observance of the rules in the invitation telex. ASE members not participating in the syndicate are prohibited from trading in an intermediary capacity for a syndicate member if such trading could reasonably be assumed to be in contravention of the prohibition against active market making by a syndicate member. The general prohibition on market making activities means facilitating activities are permitted only if they are performed at the request of clients. Accordingly, a syndicate member's activities must be confined to executing orders rather than building up its own position. Positions taken up must be reduced as soon as possible. During the restricted period, quotations on ASSET must be made conservatively.

A breach of the Securities Trading Rules by underwriters who are ASE members may result in the imposition of penalties. Depending on the circumstances of the breach, such penalties may vary from a warning, reprimand, fine of up to NLG 500,000 (approximately US \$315,000 at October 16, 1995), suspension from the ASE for up to six months (together with a fine, if appropriate) or expulsion from the ASE.

Trading restrictions imposed on an issuer arise from the fact that Dutch law prohibits a Dutch company from purchasing its own shares, except in limited circumstances. These circumstances are set forth in Section 98 of Book 2 of the Dutch Civil Code (concerning Companies and Other Legal Persons) and are limited to purchases where (i) shareholders' equity less the payment required to make the acquisition does not fall below the sum of paid-up capital and any reserves required by Dutch law or the company's Articles of Association and (ii) the company would not thereafter hold (whether itself, as pledgee, or through a subsidiary) shares with an aggregate par value exceeding one-tenth of the company's issued share capital.

V. Availability of Trading Information

A. Record-Keeping Requirements

Pursuant to the Membership Rules of the ASE and guidelines issued thereunder, members are required to keep adequate records and accounts of all transactions. In addition, when conducting a purchase or sale transaction in a listed security for its own account, an ASE member is required to report

such transaction to the ASE's Trade Supervision Department providing certain information including the name and clearing code of the stock broking firm, the name of the stock, the ISIN code, the size of the transaction, the transaction time, the transaction price and the counterparty. These records and accounts must be sufficient to demonstrate compliance with the Securities Trading Rules. ASE members are required to record transaction information adequately and in verifiable form. The Chairman of the Governing Board of the SEA may issue instructions to a corporate member to remedy any inadequacies in the member's administrative system so as to comply with the above.

The Articles of Association of the ASE require corporate members to allow the Compliance and Enforcement Department of the ASE, or external auditors or experts appointed by such Department, to verify such records. In addition, the ASST obliges brokers to allow an inspection of all books and documents relating to their business by the Securities Board or on its orders, and to provide all required assistance in any investigation.

As described above, details of all trades on the ASE, including the time and price of each trade and the volume of shares traded, are communicated to the SEA.

B. Availability of Records

Pursuant to the ASST, the Securities Board is generally authorized to provide information acquired in the course of enforcing the ASST to competent authorities responsible for supervising the securities industry in other states, provided that confidentiality is sufficiently ensured. In addition, where The Netherlands has entered into a treaty on the exchange of securities trading information with another state, the ASST specifically empowers the Securities Board to obtain information from and to investigate or order an investigation into the activities of any person for the purpose of implementing the treaty. The Kingdom of The Netherlands and the United States of America have entered into a treaty dated December 11, 1989 on mutual administrative assistance in the exchange of information in securities matters.

VI. Impact in the Netherlands of The U.S. Trading Rules

Application of the Trading Rules to the activities of distribution participants and their affiliates outside the United States could seriously jeopardize the success of any offering in The Netherlands. In particular, application of the Trading Rules outside the United States would have, *inter alia*, the following consequences:

1. Application of the Trading Rules would prevent distribution participants from fulfilling their normal market activities and dealings with customers who may wish to trade in the Relevant Securities (as defined in VIII.b. below) during an offering. Moreover, distribution participants might not be able to continue certain of their regular contacts with customers, such as discussions regarding investment strategies with respect to the Relevant Securities, and might not be

permitted to buy and sell Relevant Securities, as either principal or agent, in connection with their customers' trading activities. Such restrictions would also conflict with an ASE member's duties, pursuant to the ASE Code of Conduct for Personal and Corporate Members, to ensure that the client's interests prevail and, pursuant to the Dutch General Banking Conditions, to act in the best interests of its clients.

2. Distribution participants' risk management activities would be restricted to those permitted by Rule 10b-8.

3. Distribution participants' customary proprietary trading activities, involving arbitrage and other trading strategies, would be curtailed.

4. Accounts managed by distribution participants and their affiliates on a discretionary basis and investment funds for which they act as investment advisors could be considered "affiliated purchasers" under Rule 10b-6(c)(6)(i). Such affiliated purchasers would be subject to the same restrictions under Rule 10b-6 as the relevant distribution participant and would not be permitted to bid for or purchase Relevant Securities.

5. Distribution participants, including the underwriters and in particular the lead underwriters, would be unable to maintain an orderly market in the Relevant Securities during an offering.

6. Application of the Trading Rules could also distort the liquidity and depth of market for the Relevant Securities on the Dutch market. The Dutch securities market is highly concentrated and it is customary practice in The Netherlands that the majority of, if not all, major banks will participate in and share the risk of a large, highly-visible offering. Given that these same banks and their affiliates conduct the bulk of the trading in AEX's securities in The Netherlands, application of the Trading Rules to The Netherlands during an offering could cause the liquidity and depth of market for the Relevant Securities to be adversely affected. In addition, pricing of the Relevant Securities on the Dutch market could be adversely affected. Such an event could also distort the AEX and other market performance indices of which the Qualified Dutch Securities are a component.

VII. Scope and Conditions of Exemption

We propose that the Commission grant exemptions to the effect that the Trading Rules shall not apply to distribution participants, as defined in Rule 10b-6(c)(6)(ii), and their affiliated purchasers, as defined in Rule 10b-6(c)(6)(i) (collectively, "Relevant Parties") in connection with transactions in Relevant Securities (as defined below) outside the United States during distributions in the United States of Qualified Dutch Securities (as defined below), subject to the following terms, conditions and limitations:

1. Securities

- a. The security being distributed (a "Qualified Dutch Security") must:
 - (i) be issued by (aa) a "foreign private issuer" within the meaning of Rule 3b-4 under the Exchange Act, incorporated under

the laws of The Netherlands, which issuer has outstanding a component security of the AEX³ (a "Dutch Issuer") or (bb) a subsidiary of such a Dutch Issuer; and

(ii) satisfy one of the following:

(aa) be an equity security of a Dutch Issuer, having an aggregate market capitalization equal to or greater than \$1 billion (approximately NLG 1.6 billion at October 16, 1995) and a worldwide average daily trading volume that equals or exceeds \$5 million (approximately NLG 8 million at October 16, 1995), as published by a foreign financial regulatory authority ("FFRA")⁴ and any U.S. securities exchanges or automated inter-dealer quotation systems during a period that is 20 consecutive business days in Amsterdam within 60 consecutive calendar days prior to the commencement of the Amsterdam Covered Period (as defined below) for Dutch Issuers; or

(bb) be a security that is convertible into, exchangeable for, or is a right to acquire a security of a Dutch Issuer described in subparagraph (ii)(aa) above.

b. "Relevant Security" means:

(i) a Qualified Dutch Security; or

(ii) a security of the same class and series as, or a right to purchase, a Qualified Dutch Security.⁵

2. Transactions Effected in the United States

All transactions in Relevant Securities effected in the United States shall comply with the Trading Rules unless otherwise excepted or exempted from the operation of these rules.

3. Transactions Effected in The Netherlands

a. All transactions during the Amsterdam Covered Period (as defined below) in Relevant Securities effected by the Relevant Parties in The Netherlands shall be conducted in compliance with Dutch law and the rules of the ASE. For the purposes of this exemption, "Amsterdam Covered Period" means (i) in the case of a rights offering, the period commencing when the subscription price is determined and continuing until completion of the distribution in the United States and (ii) in the case of any other distribution, the period commencing three Amsterdam business days before the price is determined and

continuing until the completion of the distribution in the United States; *provided, however*, that the Amsterdam Covered Period shall not commence with respect to any Relevant Party until such person becomes a distribution participant.

b. All transactions in Relevant Securities during the Amsterdam Covered Period effected in The Netherlands shall be effected on or reported to the ASE.

c. Disclosure of trading activities:

(i) The inside front cover page or forefront of the preliminary prospectus and the prospectus used in the offer and sale of a Qualified Dutch Security in the United States shall prominently display a statement in substantially the following form, subject to appropriate modification where circumstances require. Such statement shall be printed in capital letters in bold-face roman type at least as large as ten-point modern type and at least two points leaded:

"In connection with this offering, certain persons may engage in transactions for their own accounts or for the accounts of others in [identify relevant securities] pursuant to exemptions from rules 10b-6, 10b-7 and 10b-8 under the Securities Exchange Act of 1934. See [identify section of offering materials that describes the transactions to be effected]."

(ii) In addition, the "Underwriting" section of the preliminary prospectus and the prospectus used in the offer and sale of a Qualified Dutch Security in the United States shall include a description of the activities that may be undertaken by the Relevant Parties in the Relevant Securities during the distribution, substantially in the form of Exhibit B hereto.

d. Record-keeping and reporting:

(i) Each Relevant Party shall provide to the SEA the information described in paragraph 3.d (ii) below with respect to its transactions in Relevant Securities in The Netherlands during the Amsterdam Covered Period, provided that in the case of a distribution made pursuant to a rights offering, such information is only required to be reported to the SEA during the period or periods (aa) commencing at any time during the Amsterdam Covered Period that the rights exercise price does not represent a discount of at least 10% from the then current market price of the security underlying the rights and continuing (x) until the end of the Amsterdam Covered Period or (y) until the rights exercise price represents a discount of at least 12% from the then current market price of the security underlying the right.⁶

(ii) When required pursuant to paragraph 3.d (i) above, the Relevant Parties will provide the following information to the SEA in Comma Delimited ASCII (American Standard Code for Information Interchange) format including a common record layout acceptable to the SEA the Commission's Division of Market Regulation (the "Division"), with respect to transactions during the Amsterdam Covered Period in Relevant Securities:

(aa) the name of the security, the date, time (of execution and reporting, where available to the Relevant Party), price and volume of each transaction, provided that no information regarding a customer transaction need be provided unless such transaction has a value of NLG 500,000 (approximately US\$ 315,000 at October 16, 1995) or more;

(bb) the exchange or inter-dealer quotation system on which the transaction was effected, if any;

(cc) an indication of whether such transaction was for a proprietary account or for the account of a customer; *provided, however*, that any transaction effected by a Relevant Party for a customer account for which it has exercised discretionary authority shall be reported as a proprietary trade; and

(dd) where the counterparty is an underwriter or a selling group member, the identity of the counterparty.

(iii) The SEA and the Relevant Parties shall keep all documents produced or prepared pursuant to paragraph 3.d(ii) for a period not less than two years.

(iv) Upon the request of the Division, the SEA shall transmit the information provided by the Relevant Parties pursuant to paragraph 3.d(ii) to the Division within 30 days of the request.

(v) If the information required to be produced in paragraph 3.d(ii) is not available from the SEA, upon the request of the Division such information shall be provided by the Relevant Party and be made available to the Division at its office in Washington, D.C. within 30 days of the request.

(vi) Representatives of the affected Relevant Party will be made available (in person at the office of the Division in Washington, D.C., or by telephone) to respond to inquiries of the Division relating to the records provided by such Relevant Party.

4. Transactions Effected in Significant Markets

All transactions in Relevant Securities in a significant market shall be effected in accordance with Rules 10b-6, 10b-7 and 10b-8, or other available exemptions. For the purpose of this exemption, the term "significant market" means any securities market in a country other than the United States or The Netherlands to which a Dutch Issuer has applied for a listing or obtained a quotation for a Qualified Dutch Security and has been accepted if, during a period that is 20 consecutive business days in Amsterdam within 60 consecutive calendar days prior to the commencement of the Amsterdam Covered Period for the Qualified Dutch Security the volume in such Qualified Dutch Security, as published by the relevant FFRA in such securities market, is 10% or more of the aggregate worldwide trading volume in that security as published by all FFRAs in such significant markets, the Dutch market and the U.S. securities market.

5. General Conditions

a. For purposes of these exemptions, a two business day cooling-off period shall apply under Rule 10b-6(a)(4)(xi) and (xii) in the United States. Each significant market shall

³References to the AEX refer to the composition of the index on the date of this letter; *provided, however*, that any security added to the AEX after the date of this letter also will be treated as a Qualified Dutch Security if its issuer satisfies the requirements in VIII.a.

⁴An FFRA is defined in Section 3(a)(51) of the Exchange Act, 5 U.S.C. 78(c)(51), as any (A) foreign securities authority; (B) other governmental body or foreign equivalent of a self-regulatory organization empowered by a foreign government to administer or enforce its laws relating to the regulation of fiduciaries, trusts, commercial lending, insurance, trading in contracts of sale of a commodity for future delivery, or other instruments traded on or subject to the rules of a contract market, board of trade, or foreign equivalent, or other financial activities, or (C) membership organization a function of which is to regulate participation of its members in activities listed above. For purposes of this letter, the ASE and the SEA are considered to be FFRA.

⁵We are not requesting an exemption for trading in options on the Amsterdam EOE Optiebeurs.

⁶For the purposes of this exemption, unless stated otherwise the current market price for a Relevant Security shall be the closing price on the floor of the ASE.

be subject to the exemptive relief then available in such market, if any, or the record maintenance and record production requirement in the letter regarding Application of Cooling-off Periods Under Rule 10b-6 to Distributions of Foreign Securities (April 4, 1994).

b. The lead underwriter, global coordinator or equivalent person shall promptly but in any event before the commencement of the Amsterdam Covered Period for the Qualified Dutch Security and within such time limitations as are prescribed by the ASE, provide written notice ("Notice") to the SEA and the Division containing the following information:

(aa) the name of the issuer and the Qualified Dutch Security;

(bb) whether the Qualified Dutch Security is an AEX component security or information about the market capitalization and the world-wide average daily trading volume of the Qualified Dutch Security to be distributed;

(cc) the identity of each significant market where the Qualified Dutch Security trades;

(dd) if the Notice is for more than one entity, the identity of all underwriters and selling group members relying on these exemptions; and

(ee) a statement that the Relevant Parties are aware of the terms and conditions of these exemptions;

Supplemental Notices shall be made for underwriters and selling group members identified after a Notice has been filed.

* * * * *

We believe that this proposed exemption would make it possible to maintain liquidity for shares of Dutch companies throughout a public offering, while minimizing the risk of abuses of the kind at which the Trading Rules are aimed.

We appreciate your prompt attention to this matter. If you have any questions or comments relating to the above, please call (collect) the undersigned or Andrea K. Muller in our Paris office (telephone: 011-33-1-44-71-17-17).

Very truly yours,

John D. Wilson.

Exhibit A

ABN AMRO Holding N.V.

AEGON N.V.

Koninklijke Ahold N.V.

Akzo Nobel N.V.

Koninklijke Bols Wessanen N.V.

CSM N.V.

DSM N.V.

Elsevier N.V.

Fortis Amev N.V.

Koninklijke Gist Brocades N.V.

Heineken N.V.

Koninklijke Nederlandse Hoogovens en Staal fabrieken N.V.

Internationale Nederlanden Groep N.V.

KLM N.V.

Koninklijke KNP BT N.V.

Koninklijke PTT Nederland NV

Koninklijke Nedlloyd Groep N.V.*

Koninklijke Pakhoed N.V.*

Philips Electronics N.V.

Polygram N.V.

Koninklijke Nederlandse Petroleum Maatschappij

Stork N.V.*

Unilever N.V.

Verenigd Bzeit VNU N.V.

Wolters Kluwer N.V.

Exhibit B

The Dutch Underwriters (and their affiliates) will, and the Underwriters (and their affiliates) other than the Dutch Underwriters may, continue to engage in the transactions and other activities described below, in The Netherlands and elsewhere outside the United States, in respect of the Ordinary Shares, securities of the same class and series as the Ordinary Shares, and securities convertible into, exchangeable for, or giving a right to acquire, the foregoing securities, and derivatives thereof (collectively, the "Relevant Securities") during the distribution period, in accordance with exemptions granted by the U.S. Securities and Exchange Commission (the "Commission") from the application outside the United States of Rules 10b-6, 10b-7 and 10b-8 under the U.S. Securities Exchange Act of 1934. Such exemptions are subject to certain exceptions, limitations and conditions set out in the Commission's exemptive order, including compliance with Dutch law and the rules of the Amsterdam Stock Exchange where applicable.

The activities referred to above include (a) buying and selling Relevant Securities for the accounts of such Underwriters (or their affiliates), whether for purposes of risk management in connection with the offering, arbitrage, or otherwise, (b) buying and selling Relevant Securities on behalf of customers, (c) advising customers as to the purchase or sale of Relevant Securities including the publication of specific company and industry research reports, (d) engaging in securities lending transactions in Relevant Securities and (e) stabilizing the market (as described below). As a result of these activities the Underwriters may at any time be short or long in Relevant Securities.

It is general market practice in The Netherlands for underwriters, and the lead underwriter in particular, to maintain an orderly market in subscription rights and existing shares, and it is expected that the lead underwriter will take measures to avoid extreme price fluctuations during the distribution period.

The activities referred to above may result in the market prices of the Relevant Securities being different from those that might otherwise have prevailed in the open market if Rules 10b-6, 10b-7 and 10b-8 had applied in The Netherlands and elsewhere outside the United States.

October 19, 1995.

Division of Market Regulation
*Securities and Exchange Commission, 450
Fifth Street, N.W., Washington, DC
20549, U.S.A.*

Attention: Ms. Nancy J. Sanow, Assistant
Director, Office of Trading Practices
Amsterdam Stock Exchange
*Beursplein 5, 1012 JW Amsterdam, The
Netherlands*

* Do not currently meet the market capitalization and worldwide average daily trading volume requirements described in this letter.

Attention: Mr. H.W. te Beest, General
Manager, Compliance and Enforcement
The London Stock Exchange
*Old Broad Street, London EC2N 1HP, United
Kingdom*

Attention: Paul Henderson

Exemptions from Rules 10b-6, 10b-7 and
10b-8 for the Secondary Offering of
Shares of Koninklijke PTT Nederland NV

Ladies and Gentlemen: We are writing on behalf of ABN AMRO Bank N.V. as global coordinator in connection with the proposed global equity offering by the State of The Netherlands of Ordinary Shares, par value NLG 10, or American Depositary Receipts evidencing American Depositary Shares, each of which represents the right to receive one Ordinary Share, of Koninklijke PTT Nederland NV, a Dutch corporation (the "Issuer"). We are submitting this Notice to each of you in accordance with the requirements of the Letter regarding Exemptions from Rules 10b-6, 10b-7 and 10b-8 for Distributions of certain Dutch Securities (October 17, 1995):

(aa) The name of the issuer is Koninklijke PTT Nederland NV. The Qualified Dutch Security is an Ordinary Share, par value NLG 10, of the Issuer.

(bb) The Issuer's Ordinary Shares are an AEX component security. On the date hereof the Issuer had a market capitalization equal to NLG 25 billion (approximately U.S. 15.8 billion)¹ and a worldwide average daily trading volume² equal to NLG 48 million (approximately U.S. 30.3 million).

(cc) The Amsterdam Stock Exchange and SEAQ International are the only significant markets where the Qualified Dutch Security trades or is quoted.

(dd) See Annex A hereto for the identity of all underwriters and selling group members relying on these exemptions.

(ee) We hereby confirm that all distribution participants, as defined in Rule 10b-6(c)(6)(ii), and their affiliated purchasers, as defined in Rule 10b-6(c)(6)(i), are aware of the terms and conditions of the exemptions.

If you have any questions relating to the above please call (collect) the undersigned or Andrea K. Muller in our Paris office (telephone 011-33-1-44-71-17-17).

Very truly yours,

John D. Wilson

Annex A

ABN AMRO Bank N.V.

Internationale Nederlanden Bank N.V.

Rabo Effecten Bank N.V.

Morgan Stanley & Co. Incorporated

Swiss Bank Corporation

ABN AMRO Hoare Govett Corporate Finance
Limited

CS First Boston Limited

¹ 1 NLG = U.S. 1.5835 (on October 17, 1995)

² Worldwide average daily trading volume is calculated using information published by a foreign financial regulatory authority as defined in Section 3(a)(51) of the Securities Exchange Act of 1934, as amended, and any U.S. securities exchange or automated inter-dealer quotation system during a period that is 20 consecutive business days in Amsterdam within 60 consecutive calendar days prior to October 18, 1995.

Kempen & Co. N.V.
 MeesPierson N.V.
 NIBStrating Financial Markets N.V.
 KBW Effectenbank N.V.
 F. van Lanschot Bankiers N.V.
 SNS Bank Nederland N.V.
 ABN AMRO Securities (USA) Inc.
 Lehman Brothers Inc.
 RBC Dominion Securities Corporation
 Smith Barney Inc.
 Alex. Brown & Sons Incorporated
 CS First Boston Corporation
 A.G. Edwards & Sons, Inc.
 Baring Securities Inc.
 Dean Witter Reynolds Inc.
 Barclays de Zoete Wedd Limited
 Cazenove & Co.
 NatWest Securities Limited
 Baring Brothers Limited
 Credit Lyonnais Securities
 Daiwa Europe Limited
 Morgan Grenfell & Co. Limited
 Banque Indosuez
 Morgan Stanley & Co. International Limited
 Banca Commerciale Italiana S.p.A.
 Bank Brussel Lambert N.V.
 Creditanstalt-Bankverein
 DG BANK—Deutsche Genossenschaftsbank

[FR Doc. 95-26898 Filed 10-30-95; 8:45 am]
 BILLING CODE 8010-01-P

[Release No. 34-36411; International Series
 Release No. 874; File No. 600-20]

**Self-Regulatory Organizations;
 International Securities Clearing
 Corporation; Notice of Filing of a
 Request for Extension of Temporary
 Registration as a Clearing Agency**

October 25, 1995.

Notice is hereby given that on October 23, 1995, the International Securities Clearing Corporation ("ISCC") filed with the Securities and Exchange Commission ("Commission") an application pursuant to Section 19(a)(1) of the Securities Exchange Act of 1934 ("Act"),¹ to extend ISCC's temporary registration as a clearing agency for a period of twenty-four months or such longer period as the Commission deems appropriate.² The Commission is publishing this notice to solicit comments on the request for extension of registration from interested persons.

On May 12, 1989, the Commission granted the application of ISCC for registration as a clearing agency pursuant to Sections 17A and 19(a) of the Act³ and Rule 17Ab2-1(c) thereunder on a temporary basis for a period of eighteen months.⁴ At that

time, the Commission granted to ISCC a temporary exemption from compliance with Section 17A(b)(3)(C) of the Act which requires fair representation of its shareholders (or members) and participants in the selection of its directors and administration of its affairs.⁵ Since that time, the Commission has extended ISCC's temporary registration through November 30, 1995.⁶

One of the primary reasons for ISCC's registration as a clearing agency was to enable it to provide for the safe and efficient clearance and settlement of international securities transactions by providing links to centralized, efficient processing systems in the United States and in foreign financial institutions. ISCC continues to develop its capacity to offer these services.⁷

As a part of its temporary registration, ISCC has an exemption from Section 17A(b)(3)(C) of the Act due to ISCC's limited participant base.⁸ ISCC has represented to the Commission that it believes it still does not have a meaningful participant base with only thirty-seven of the forty-four ISCC members currently using ISCC services.⁹ This is an increase of seventeen active members since ISCC received its most recent registration extension in 1993. ISCC continues to believe that if its participants are given an ability to participate in the selection of the board of directors in accordance with Section 17A(b)(3)(C) of the Act, these

⁵ Currently, ISCC's Board of Directors is authorized for a maximum of twenty-two members. Twelve of those directors are selected from the general partners or officers of participants by ISCC's nominating committee. Two directors must be officers of ISCC. Eight directors are nominees of National Securities Clearing Corporation ("NSCC"), the sole shareholder of ISCC. Participants may submit names to ISCC's Nominating Committee by submitting a petition to ISCC's Secretary signed by the lesser of 5% of the participants or fifteen participants. If a participant nominates a candidate for participant director, ballots are sent out to all participants to vote in accordance with their usage of ISCC's system. NSCC will vote its shares to elect the participant directors selected by the participants.

⁶ Securities Exchange Act Release Nos. 28606 (November 16, 1990), 55 FR 47976; 30005 (November 27, 1991), 56 FR 63747; and 33233 (November 22, 1993), 58 FR 63195.

⁷ For example, ISCC has added three service providers, Standard Bank of South Africa, Westpac Custodian Nominees Limited of Australia, and Westpac Nominees-NZ-Limited, to its Global Clearance Network Service to provide settlement and custody services in South Africa, Australia, and New Zealand, respectively. Securities Exchange Act Release Nos. 35392 (February 16, 1995), 60 FR 10415 and 36339 (October 5, 1995), 60 FR 53447.

⁸ 15 U.S.C. § 78q-1(b)(3)(C) (1988).

⁹ Eleven of these members use ISCC's link with the London Stock Exchange. Three members use ISCC's link with CEDEL. Five members use ISCC's link with Euroclear. Thirty-two members use ISCC's Global Clearance Network Service.

participants will have an inordinate and unintended control of the nomination and voting processes. Accordingly, ISCC requests an extension of its registration approval with a continuation of this exemption.¹⁰

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. Such written data, views, and arguments will be considered by the Commission in granting registration or instituting proceedings to determine whether registration should be denied in accordance with Section 19(a)(1) of the Act.¹¹ Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549. Copies of the applicant and all written comments will be available for inspection at the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. All submissions should refer to File No. 600-20 and should be submitted by November 30, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
 Deputy Secretary.

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 BILLING CODE 8010-01-M

[Release No. 34-36409; File Nos. SR-NYSE-95-31; SR-PSE-95-25; SR-Amex-95-42; SR-Phlx-95-71]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Changes by the New York Stock Exchange, Inc., the Pacific Stock Exchange, Inc., the American Stock Exchange, Inc., and the Philadelphia Stock Exchange, Inc., To Add Two Positions and Exercise Limit Tiers for Qualifying Equity Option Classes and To Expand the Equity Option Hedge Exemption

October 23, 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 September 26, October 5, October 16, October 17, 1995, respectively, the New York Stock Exchange, Inc. ("NYSE"), the Pacific Stock Exchange, Inc. ("PSE"), the American Stock Exchange,

¹⁰ *Supra* note 2.

¹¹ 15 U.S.C. § 78s(a)(1) (1988).

¹² 17 C.F.R. § 200.30-3(a)(16) (1994).

¹ 15 U.S.C. § 78s(b)(1) (1988).

17 CFR 240.19b-4 (1994).

¹ 15 U.S.C. 78s(a)(1) (1988).

² Letter from Julie Beyers, Associate Counsel, ISCC, to Christine Sibille, Senior Counsel, Office of Securities Processing, Division of Market Regulation, Commission (October 20, 1995).

³ 15 U.S.C. 78q-1 and 78s(a) (1988).

⁴ Securities Exchange Act Release No. 26812 (May 12, 1989), 54 FR 21691.