

The CHX's proposed Tier II standards are essentially identical to the current CHX standards applicable to all listed issues, except that index warrants and contingent value rights will no longer be listed under Tier II.

Miscellaneous

The CHX does not propose to materially change its admissions procedures or its delisting procedures.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that the proposal fosters cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, removes impediments to and perfects the mechanism of a free and open market and a national market system and protects investors and the public interest. The proposal also is consistent with Section 11A of the Act in that approval of the Tier I standards will aid in the development of the national market system by enhancing competition for equity listings.

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

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

No written comments were either solicited or received.

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

Within 35 days of the publication of this notice in the Federal Register or within such other 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 the 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, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communication relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-CHX-95-26 and should be submitted by December 28, 1995.

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

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-36533; File Nos. SR-PHILADEP-95-09; SR-MSTC-95-09]

Self-Regulatory Organizations; Philadelphia Depository Trust Company and Midwest Securities Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Changes Modifying Procedures to Enable Compliance With Confirmation Disclosure Requirements Through the Use of the Institutional Delivery System

November 30, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 24, 1995, and on October 27, 1995, respectively, the Philadelphia Depository Trust Company ("PHILADEP") and the Midwest Securities Trust Company ("MSTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule changes as described in Items I, II, and III below, which Items have been prepared primarily by PHILADEP and MSTC. The Commission is publishing this notice to solicit comments on the proposed rule changes from interested parties.

¹ 15 U.S.C. 78s(b)(1) (1988).

I. Self-Regulatory Organizations' Statements of the Terms of Substance of the Proposed Rule Changes

PHILADEP and MSTC propose to make additions to their respective procedures² to enable their participants using the Institutional Delivery ("ID") system for generating confirmations for customer transactions to comply with certain disclosure requirements of Rule 10b-10 under the Act.³

II. Self-Regulatory Organizations' Statements of the Purpose of, and Statutory Basis for, the Proposed Rule Changes

In their filings with the Commission, PHILADEP and MSTC included statements concerning the purpose of and the basis for the proposed rule changes and discussed any comments they received on the proposed rule changes. The text of these statements may be examined at the places specified in Item IV below. PHILADEP and MSTC have prepared summaries, set forth in section (A), (B), and (C) below, of the most significant aspects of such statements.⁴

A. Self-Regulatory Organizations' Statements of the Purpose of, and the Statutory Basis for, the Proposed Rule Changes

In 1994, the Commission adopted amendments to Rule 10b-10.⁵ Subsequently, the Division of Market Regulation issued a no-action letter to the Public Securities Association ("PSA") on behalf of its members and all other brokers and dealers temporarily exempting them from certain disclosure requirements of paragraphs (a)(7), (a)(8), and (a)(9) of Rule 20b-10 until November 1, 1995.⁶

The purpose of these proposed rule changes is to enable PHILADEP and MSTC participants using the ID system for generating confirmations for customer transactions to comply with the following three disclosure requirements upon the expiration of the temporary exemption on November 1, 1995.

² While MSTC does not have specific written ID procedures, the MST System Flash newsletter is sent to MSTC participants to update them on, among other things, ID system changes. The newsletter is kept on record at MSTC and is used by MSTC as its participant procedures.

³ 27 CFR 240.10b-10 (1994).

⁴ The Commission has modified the text of the summaries prepared by PHILADEP and MSTC.

⁵ For a complete discussion of the amendments, refer to Securities Exchange Act Release No. 34962 (November 10, 1994), 59 FR 59612.

⁶ Letter from Catherine McGuire, Chief Counsel, Division of Market Regulation, Commission, to George P. Miller, Esq., Vice President and Associate General Counsel, PSA (September 29, 1995).

(1) The amended rule reburies broker-dealers to disclose that they are not members of the Securities Investor Protection Corporation ("SIPC") if, in fact, they are not so affiliated. These broker-dealers may make such disclosures by noting "[Name of broker-dealer] is not a member of SIPC" in the Special Instructions field of trade data submitted to the ID system. PHILADEP's and MSTC's proposed rule changes add to their respective procedures the method by which broker-dealers indicate that they are not SIPC members.

(2) In the case of a private debt security, the amended rule requires broker-dealers to disclose if the security is not rated by a nationally recognized statistical rating organization. A broker-dealer using the ID system can disclose that fact by entering "Not Rated" or "N/R" in the Special Instructions field. PHILADEP's and MSTC's proposed rule changes add to their respective procedures a statement of the meaning of the codes "Not Rated" or "N/R."

(3) The amended rule requires broker-dealers to disclose that the yield for asset-backed securities that are continuously subject to prepayment may vary depending upon the rate of prepayments. Upon written request from their customers, broker-dealers will provide certain information concerning the factors that affect these securities' yield. A broker-dealer using the ID System can enter one of several acronyms in the Security Type field identifying the security as one of several types of securities that meet the rule's definition of asset-backed security. PHILADEP's and MSTC's proposed rule changes add to their respective procedures a provision designating several acronyms that when placed in the Security Type field will denote that the security meets the Rule 10b-10 definition of an asset-backed security.

PHILADEP and MSTC believe the proposed rule changes are consistent with the requirements of Section 17A(B)(3)(F)⁷ of the Act and the rules and regulations thereunder applicable to PHILADEP and MSTC because the proposed rule changes will facilitate the confirmation of transactions through the use of the ID system in compliance with the additional requirements of Rule 10b-10 and in conjunction with the expiration date of the temporary exemption on November 1, 1995.

B. Self-Regulatory Organizations' Statements on Burden on Competition

PHILADEP and MSTC believe these procedural modifications will not impose a burden on competition.

Self-Regulatory Organizations' Statements on Comments on the Proposed Rule Changes Received From Members, Participants or Others

PHILADEP and MSTC have neither solicited nor received comments on the proposed rule changes.

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

The foregoing rule changes have become effective pursuant to Section 19(b)(3)(A)(i)⁸ of the Act and pursuant to Rule 19b-4(e)(4)⁹ promulgated thereunder because the proposals constitute changes in existing services of registered clearing agencies that do not adversely affect the safeguarding of securities or funds in the custody or control of those clearing agencies or for which they are responsible and do not significantly affect the respective rights or obligations of the clearing agencies or persons using the service. At any time within sixty days of the filing of such rule changes, the Commission may summarily abrogate such rule changes 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 such submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements respecting the proposed rule changes that are filed with the Commission, and all written communications concerning the proposed rule changes between the Commission and any person, other than those that may be withheld from the public pursuant to the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, DC 20549. Copies of the respective filings will also be available for inspection and copying at the principal offices of PHILADEP and MSTC. All submissions

should refer to File Nos. SR-PHILADEP-95-09 and SR-MSTC-95-09 and should be submitted by December 28, 1995.

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

Jonathan G. Katz,

Secretary.

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[Release No. 34-36541; File No. SR-Amex-95-28]

Self-Regulatory Organizations; American Stock Exchange, Inc.; Order Granting Approval to Proposed Rule Change Relating to Updates to the Exchange's Company Guide

November 30, 1995.

I. Introduction

On July 19, 1995, the American Stock Exchange, Inc. ("Amex" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to update various sections of its Company Guide. On September 28, 1995, the Exchange filed Amendment No. 1 to the proposed rule change.³

The proposed rule change, as amended, was published for comment in the Federal Register on October 10, 1995.⁴ No comments were received on the proposal.

II. Description of the Proposal

The Exchange has proposed amendments to several sections of the Amex Company Guide in order to conform it with recent changes to comparable New York Stock Exchange ("NYSE") sections, to update certain sections that contain provisions that are no longer applicable, and to clarify certain obligations contained in the rules. As described more fully below, the Exchange proposes to amend sections of its Company Guide that pertain to preferred stock, warrants, conflicts of interest, original and annual listing fees, the listing resolution, "backdoor" listings, fractional shares, the listing agreement, interim reports,

¹⁰ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter from Geraldine M. Brindisi, Vice President and Corporate Secretary, Amex, to Glen Barrentine, Senior Counsel/Team Leader, SEC (Sept. 28, 1995).

⁴ Securities Exchange Act Release No. 36326 (Oct. 3, 1995), 60 FR 52713.

⁷ 15 U.S.C. 78q-1(b)(3)(F) (1988).

⁸ 15 U.S.C. 78s(b)(3)(A)(i) (1988).

⁹ 17 CFR 240.19b-4(e)(4) (1994).