

comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

Through its options clearing system, DCC clears trades in over-the-counter options that have been agreed to through the facilities of RMJ Options Trading Corp. ("RMJ").<sup>3</sup> RMJ has informed DCC that it intends to eliminate its options trading business. The purpose of the proposed rule change is to allow DCC to replace RMJ with Euro Broker Maxcor Inc. The proposed rule change amends the definition of RMJ contained in Article I of the DCC's procedures to state that all references to RMJ in the procedures shall be deemed references to the broker then performing the duties and responsibilities of RMJ under the procedures.

The proposed rule change will facilitate the prompt and accurate clearance and settlement of securities transactions. Therefore, the proposed rule change is consistent with the requirements of the Act, specifically Section 17A of the Act, and the rules and regulations thereunder.<sup>4</sup>

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

DCC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Comments were neither solicited nor received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>5</sup> and Rule

19b-4(e)(4) thereunder<sup>6</sup> in that the proposal effects a change in an existing service of a registered clearing agency that does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and does not significantly affect the respective rights or obligations of the clearing agency or persons using the service. At any time within sixty days of the filing of the proposed rule change, the Commission may summarily abrogate such 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 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 in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at DCC. All submissions should refer to File No. SR-DCC-96-05 and should be submitted by May 28, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-11141 Filed 5-3-96; 8:45 am]

**BILLING CODE 8010-01-M**

[Release No. 34-37150; File No. SR-NASD-96-14]

**Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Requirement That Members Provide Information to Other Regulators for Regulatory Purposes**

April 29, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on April 4, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("Commission") the proposed rule change,<sup>2</sup> as described in Items I, II, and III below, which Items have been prepared by 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**

The NASD is filing a proposed rule change to amend NASD Rules 8210 and 8220.<sup>3</sup> The NASD is proposing to amend Rule 8210 to require members to provide information to domestic and foreign self-regulatory organizations, associations, securities or contract markets or regulators with which the Association has entered into information sharing agreements for regulatory purposes and to the NASD's Market Surveillance Committee. Pursuant to Amendment No. 1, the NASD is amending Rule 8220 to authorize any Market Surveillance Committee to require any member to submit a report in writing with regard to any matter connected with such member's business or business practices, and to inspect the books, records and accounts of any member. Below is the text of the proposed rule change. Proposed new language is italicized.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> On April 19, 1996, the NASD filed Amendment No. 1 to the proposed rule change. Letter from Suzanne E. Rothwell, Associate General Counsel, NASD, to Mark P. Barracca, Special Counsel, Division of Market Regulation, SEC, dated April 19, 1996.

<sup>3</sup> Pursuant to a new rule numbering system for the NASD Manual anticipated to be effective no later than May 1, 1996, Sec. 5 of Art. IV and the Resolution of the Board of Governors thereto of the Rules of Fair Practice that are the subject of this proposed rule change will become Rules 8210 and 8220, respectively. Securities Exchange Act Release No. 36698 (Jan. 11, 1996), 61 FR 1419 (Jan. 19, 1996) (order approving File No. SR-NASD-95-51).

<sup>2</sup> The Commission has modified parts of these statements.

<sup>3</sup> For a complete description of the DCC's options clearance system, refer to Securities Exchange Act Release No. 26450 (January 18, 1989), 54 FR 2010 (Order granting DCC temporary registration as a clearing agency).

<sup>4</sup> 15 U.S.C. 78q-1 (1988).

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A)(iii) (1988).

<sup>6</sup> 17 CFR 240.19b-4(e)(4) (1995).

<sup>7</sup> 178 CFR 200.30-3a(a)(12) (1995).

**PROCEDURAL RULES****8000. COMPLAINTS,  
INVESTIGATIONS AND SANCTIONS**\* \* \* \* \*  
**8200. INVESTIGATIONS****8210. Reports and Inspection of Books  
for Purpose of Investigating  
Complaints**

(a) For the purpose of any investigation, or determination as to filing of a complaint or any hearing of any complaint against any member of the Association or any person associated with a member made or held in accordance with the Rule 9000 Series, or made or held by another domestic or foreign self-regulatory organization, association, securities or contract market or regulator of such markets, with whom the Association has entered into an agreement providing for the exchange of information and other forms of material assistance solely for market surveillance, investigative, enforcement or other regulatory purposes, any District Business Conduct Committee, the Market Surveillance Committee, or the Board of Governors, or any duly authorized member or members of any such Committees or Board or any duly authorized agent or agents of any such Committee or Board shall have the right:

(1) to require any member of the Association, person associated with a member, or person no longer associated with a member when such person is subject to the Association's jurisdiction to report, either informally or on the record, orally or in writing with regard to any matter involved in any such investigation or hearing, and

(2) to investigate the books, records and accounts of any such member or person with relation to any matter involved in any such investigation or hearing.

(b) No such member or person shall fail to make any report as required in this Rule, or fail to permit any inspection of books, records and accounts as may be validly called for under this Rule. Any notice requiring an oral or written report or calling for an inspection of books, records and accounts pursuant to this Rule shall be deemed to have been received by the member or person to whom it is directed by the mailing thereof to the last known address of such member or person as reflected on the Association's records.

**8220. Suspension of members for  
Failure to Furnish Information Duly  
Requested**

\* \* \* \* \*

(e) It is essential for the promotion of the Association's welfare, object and

purposes and more particularly for the administration and enforcement of its Rules:

(1) that any District Business Conduct Committee, any Market Surveillance Committee, or any duly authorized member or members of any such Committees, or any duly authorized agent or agents of any such Committees, or any Association examiner duly authorized by the President shall have the right, in order to and solely for the purpose of determining whether any member is complying with the Rules of the Association:

(A) to require any such member to submit a report in writing with regard to any matter connected with such member's business or business practices, and

(B) to inspect the books, records and accounts of any such member; and

(2) that any such Committee or any such member or members thereof, or any such agent or agents thereof, or any such examiner, be and hereby is granted such rights.

**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****1. Purpose**

Currently, Rule 8210 of the NASD's Procedural Rules provides that the NASD may require members and associated persons to provide information, and may investigate a member's books and records, in connection with investigations or proceedings conducted by the NASD. The NASD periodically receives requests from other regulatory organizations with whom the NASD has entered into agreements to share regulatory information, including self-regulatory organizations ("SROs") who participate in the Intermarket Surveillance Group ("ISG"),<sup>4</sup> for

<sup>4</sup>The ISG is an organization of securities industry self-regulatory organizations ("ISG/SROs") formed in 1983 to coordinate and develop intermarket

information from NASD members in connection with investigations being conducted by these regulators. Rule 8210, however, does not expressly permit the NASD to require members to provide information in connection with investigations being conducted by other regulatory organizations, or to bring disciplinary action against a member that refuses to cooperate.

While the NASD believes that Rule 8210 provides adequate authority to require members and associated persons to provide information to other regulatory organizations, it is believed that clarifying this provision to expressly provide for such information sharing would be desirable. Most of the other ISG participants have amended or are amending their rules to clarify their investigatory and information sharing authority.<sup>5</sup> The proposed rule change

surveillance programs designed to identify and combat fraudulent and manipulative acts and practices. In order to promote its purposes, members agree to exchange such information as is necessary for ISG members to perform their self-regulatory and market surveillance functions. The NASD has been a member of the ISG since its formation.

The ISG's self-regulatory organization members (ISG/SROs) include all of the registered securities exchanges and associations: American Stock Exchange (AMEX), Boston Stock Exchange (BSE), Chicago Board Options Exchange (CBOE), Chicago Stock Exchange (CHX), Cincinnati Stock Exchange (CSE), National Association of Securities Dealers, Inc. (NASD), New York Stock Exchange (NYSE), Pacific Stock Exchange (PSE), and Philadelphia Stock Exchange (PHLX). In addition, other domestic contract markets and foreign SROs have been granted "affiliate" membership in the ISG: Alberta Stock Exchange (ASE), Amsterdam Stock Exchange (AMSE), Australian Stock Exchange (ASX), Chicago Board of Trade (CBOT), Chicago Mercantile Exchange (CME), London International Financial Futures and Options Exchange (LIFFE), London Stock Exchange (LSE), Montreal Exchange (ME), New York Futures Exchange (NYFE), Securities and Futures Authority (SFA), Toronto Stock Exchange (TSE), and the Vancouver Stock Exchange (VSE). ISG/SROs and ISG affiliates are referred to herein as "participants."

<sup>5</sup>The CBOE recently amended Rule 15.9(b) to require its members and associated persons, at the request of the CBOE, to furnish testimony, documentary evidence or other information in connection with any inquiry by a domestic or foreign self-regulatory organization, association, contract market, or regulator of such market with whom the CBOE has entered into an agreement providing for the exchange of information and other forms of mutual assistance for market surveillance, investigative, enforcement and regulatory purposes. Securities Exchange Act Release No. 35403 (Feb. 22, 1995), 60 FR 10884 (Feb. 28, 1995) (order approving File No. SR-CBOE-94-39). The PSE recently amended Rule 10.2(d) to require PSE members, member organizations, persons associated with a member or member organization, and other persons or entities over whom the PSE has jurisdiction pursuant to Rule 10.1(b) to testify before another SRO and to furnish information in connection with a regulatory inquiry, investigation, examination, or disciplinary proceeding resulting from an agreement entered into by the PSE pursuant to Rule 14.1. Securities Exchange Act Release No. 35646 (Apr. 25, 1995), 60 FR 21227 (May 1, 1995) (order approving File No. SR-PSE-95-02). Currently,

would permit the NASD to require members and associated persons to provide information to any other domestic or foreign SROs, associations, securities or contract markets or regulators of such markets with whom the Association has entered into agreements providing for the exchange of regulatory information. By amending Rule 8210, the NASD also will have explicit authority to discipline members and associated persons who fail to provide information to other domestic or foreign SROs, associations, securities or contract markets or regulators of such markets with whom the NASD has information sharing agreements.

Finally, the NASD is proposing to insert the phrase "the Market Surveillance Committee" in that part of Subparagraph (a) of Rule 8210 that references the District Business Conduct Committee and the Board of Governors, and the phrase "any Market Surveillance Committee," after the phrase "any District Business Conduct Committee" in Subparagraph (e)(1) of Rule 8220. The change conforms Rules 8210 and 8220 with references to the Market Surveillance Committee in the definitions and relevant titles of the Code of Procedure.

## 2. Statutory Basis

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,<sup>6</sup> which require, among other things, that the rules of the Association be designed to foster cooperation and coordination with persons engaged in regulating securities transactions. The proposed rule change is consistent with these objectives in that it clarifies that the Association has the authority to require members to provide information to other domestic or foreign self-regulatory organizations, associations, securities or contract markets or regulators of such markets for regulatory purposes and to discipline those

NYSE Rule 476(a)(11) permits the NYSE to bring disciplinary action against a member, member organization, allied member, approved person, registered or non-registered employee for failing to comply with an NYSE request to submit books and records to the NYSE or any other SRO and for failure to furnish information to or to appear or testify before the NYSE or other SRO. The NYSE has proposed an amendment to Rules 27, 476(a)(11), and 477 to require persons under Exchange jurisdiction to comply with information requests from commodities markets and associations and foreign self-regulatory organizations and associations. Securities Exchange Act Release No. 36831 (Feb. 12, 1996), 61 FR 6279 (Feb. 16, 1996) (notice of File No. SR-NYSE-95-43). Currently, Art. V, Sec. 4(a) of the AMEX Rules facilitates examinations being conducted by another exchange.

<sup>6</sup> 15 U.S.C. 78o-3.

members who fail or refuse to provide such information.

### 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

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 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 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 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 File No. SR-NASD-96-14 and should be submitted by May 27, 1996.

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. 96-11228 Filed 5-3-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37154; File No. SR-NASD-96-18]

## Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to the Temporary Extension of Effectiveness of Arbitration Procedures for Large and Complex Cases

April 30, 1996.

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 April 30, 1996,<sup>1</sup> 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 and II 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

The NASD is proposing to temporarily extend the effectiveness of the arbitration Procedures for Large and Complex Cases, Rule 10334 of the Code of Arbitration Procedure ("Code"),<sup>2</sup> to August 1, 1996. Below is the text of the proposed rule change. Proposed new language is in italics; proposed deletions are in brackets.

#### Code of Arbitration Procedure

\* \* \* \* \*

#### Procedures for Large and Complex Cases

##### Rule 10334

\* \* \* \* \*

<sup>1</sup> The NASD originally submitted the proposed rule change on April 24, 1996. Amendment No. 1, submitted on April 29, 1996, states that the Board of Directors of NASD Regulation, Inc. authorized the filing of the proposed rule change with the Commission on April 26, 1996. Amendment No. 2, submitted on April 30, 1996, amends Rule 10334(h) to extend the effective date of that Rule to August 1, 1996.

<sup>2</sup> Formerly Section 46 of the Code of Arbitration Procedure, NASD Manual, Code of Arbitration Procedure, Art. III, § 46 (CCH) ¶ 3746.