

paragraph (d) of IM-2210-3. The proposed rule change clarifies that the use of one, five and ten year time periods is required if such time periods are published by the ranking entity.<sup>3</sup> If rankings for the required time periods are not published by the ranking entity, the proposed rule change provides that rankings representing short, medium and long term performance must be provided in place of rankings for the required time periods. In its discussions of how the terms "short," "medium" and "long term" might be interpreted, NASDR staff considered time frames of 1-4 years, 5-5 years and 10 years or more, respectively, as an acceptable interpretation. The proposed rule change also replaces the phrase "in the category," in subparagraphs (2) (B) and (C) with the phrase "relating to the same investment category." to clarify that when members provide rankings for advertisements and sales literature, rankings for the prescribed time periods must be for the same investment category of subcategory as the total return ranking that is being accompanied by the prescribed ranking.

The proposed rule change makes clear that the Guidelines apply to rankings that use time periods other than the one, five, and ten year periods prescribed in the Guidelines if rankings for the required time periods are not published by the ranking entity. On the one hand, the proposed rule change provides an option that relaxes the requirement to use standardized time periods. At the same time, this option still assures that rankings will continue to be reflected over an extended period and therefore provide more than just a "snapshot" view. NASDR believes that the proposed rule change provides a flexible framework within which ranking entities using different methodologies can provide useful information to investors in a way that is not harmful or misleading.

## 2. Statutory Basis

The proposed rule change is consistent with the provisions of Sections 15A(b)(6) of the Act,<sup>4</sup> which require that the Association adopt and amend its rules to promote just and equitable principles of trade and generally provide for the protection of customers and the public interest, in that the proposed rule change continues

<sup>3</sup> The Guidelines define "Ranking Entity" as " \* \* \* any entity that provides general information about investment companies to the public, that is independent of the investment company and its affiliates, and whose services are not procured by the investment company or any of its affiliates to assign the investment company a ranking."

<sup>4</sup> 15 U.S.C. § 78o-3.

to prohibit the use in advertising and sales literature of rankings containing arbitrarily selected time periods while allowing time periods other than those originally prescribed by the rule in a way that is not misleading.

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

The NASD 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 by the NASD.

### 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 at the Commission's Public Reference Room. Copies of the 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-96-39 and should be submitted by December 24, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

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## SMALL BUSINESS ADMINISTRATION

### **MMG Ventures, L.P. (License No. 03/03-5205); Notice of Issuance of a Small Business Investment Company License**

On July 26, 1995, an application was filed by MMG Ventures, L.P., 217 E. Redwood Street—Suite 2241, Baltimore, Maryland, with the Small Business Administration (SBA) pursuant to Section 107.102 of the Regulations governing small business investment companies (13 C.F.R. 107.102 (1996)) for a license to operate as a small business investment company.

Notice is hereby given that, pursuant to Section 301(d) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 03/03-5206 on September 30, 1996 to MMG Ventures, L.P. to operate as a small business investment company.

(Catalog of Federal Domestic Assistance Program No. 59.011, Small Business Investment Companies)

Dated: November 19, 1996.

Don A. Christensen,

*Associate Administrator for Investment.*

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### **Stratford Equity Partners, L.P. (License No. 06/76-0313); Notice of Issuance of a Small Business Investment Company License**

On December 15, 1995, an application was filed by Stratford Equity Partners, L.P., 200 Crescent Court, Suite 1600, Dallas, Texas, with the Small Business Administration (SBA) pursuant to Section 107.102 of the Regulations governing small business investment companies (13 C.F.R. 107.102 (1996)) for a license to operate as a small business investment company.

Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application and all other pertinent information, SBA issued License No. 06/76-0313 on September 30, 1996 to Stratford Equity

<sup>5</sup> 17 CFR 200.30-3(a)(12).