

[File No. 1-11150]

Issuer Delisting; Notice of Application To Withdraw From Listing and Registration; (Urohealth Systems, Inc., Common Stock, \$.001 Par Value; Stock Purchase Rights; Warrants To Purchase Common Stock)

December 16, 1996.

Urohealth Systems, Inc. ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified securities ("Securities") from listing and registration on the American Stock Exchange, Inc. ("Amex").

The reasons alleged in the application for withdrawing the Securities from listing and registration include the following:

According to the Company, its Board of Directors unanimously approved resolutions on October 1, 1996 to withdraw the Securities from listing on the Amex and instead, to list the Securities on the National Association of Securities Dealers Automated Quotations National Market System ("Nasdaq/NMS").

The decision of the Board followed a through study of the matter and was based upon the belief that listing the Securities on the Nasdaq/NMS will be more beneficial to the Company's stockholders than the present listing on the Amex because:

The Board anticipates additional market coverage by institutional investors and greater market support among analysts and an increase in liquidity of the Company's Common Stock and Warrants will result from the transfer to the Nasdaq/NMS.

Any interested person may, on or before January 8, 1997 submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

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

Jonathan G. Katz,
Secretary.

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[Release No. 34-38054; File No. SR-CBOE-95-48]

Self-Regulatory Organizations: Chicago Board Options Exchange, Inc.; Order Approving a Proposed Rule Change Relating to the Use of Proprietary Brokerage Order Routing Terminals on the Floor of the Exchange

December 16, 1996.

I. Introduction

On August 25, 1995, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposal relating to the use of proprietary brokerage order routing terminals on the floor of the Exchange. On October 3, 1995, the Exchange filed Amendment No. 1 to its proposal.³ The proposed rule change was published for comment and appeared in the Federal Register on October 13, 1995.⁴ Three comment letters were received.⁵ The CBOE responded to the November 1995 Comment Letter.⁶ This order approves the proposal.

¹ 15 U.S.C. § 78s(b)(1) (1988).

² 17 CFR 240.19b-4 (1994).

³ Letter from Burton R. Rissman, Shiff Hardin & Waite, to Francois Mazur, Attorney, Office of Market Supervision ("OMS"), Division of Market Regulation ("Division"), dated October 3, 1995 ("Amendment No. 1").

⁴ See Securities Exchange Act Release No. 36332 (October 4, 1995), 60 FR 53442.

⁵ Letters from David C. Bohan, Jenner & Block, writing on behalf of Interactive Brokers Inc. ("IBI"), to Jonathan G. Katz, Secretary, Commission, dated November 2, 1995 ("November 1995 Comment Letter"), and February 1, 1996 ("February 1996 Comment Letter"). IBI submitted a comment letter on November 6, 1996 withdrawing its opposition to the rule filing but reserving its right to comment further on the scope of activity permitted by CBOE to users of proprietary brokerage order routing terminals. See Letter from Thomas Peterffy, Chairman, IBI, to Howard L. Kramer, Senior Associate Director, Division, Commission, dated November 6, 1996 ("November 1996 Letter").

⁶ Letter from Charles J. Henry, President and Chief Operating Officer, CBOE, to Jonathan G. Katz, Secretary, Commission, dated January 16, 1996 ("CBOE Response Letter").

II. Description of the Proposal**A. Introduction**

The rule change approved today adopts a policy pursuant to CBOE Rule 6.23⁷ that will allow the use of a proprietary brokerage order routing terminal and its related system ("Terminal") in the S&P 500 Index ("SPX") options trading crowd. Written Exchange approval will be required prior to a member establishing, maintaining, or using a Terminal. The Exchange will not approve a Terminal unless and until the member who proposes to establish one on the floor of the Exchange has filed with the Exchange an "Application & Agreement for Brokerage/Order Routing Terminals in Trading Crowds" ("Application Agreement"), and Terminals could be used only in the crown trading SPX options to route orders in SPX options.⁸

The rule change also specifies the permitted order-routing uses of Terminals in light of a pending application which seeks Exchange approval to establish and use a Terminal in the SPX options crowd.⁹ The firm's proposed Terminal would be a wireless, hand-held device designed to receive orders entered by the firm or its customers from off the floor. Use of the Terminal would enable the firm and its customers to transmit orders electronically from off the trading floor to one or more of its floor brokers on the floor of the Exchange, including to a broker who is in the trading crowd. The firm's application for use of a Terminal, which is the only such application that has been received to date by the Exchange, has raised a number of issues that the Exchange has determined to resolve as a matter of policy that will be applicable to all members in connection with its proposal to allow Terminals in the SPX options crowd. The policy primarily is contained in the Application Agreement, as described below.

B. Surveillance, Audit Trails and Compliance

Paragraph D of the Application Agreement will require an applicant to agree that the use of its Terminal will conform to all applicable laws, the rules, policies and procedures of the

⁷ CBOE Rule 6.23 provides that no member shall establish or maintain any telephone or other wire communications between his or its office and the Exchange without prior approval by the Exchange. The Exchange may direct discontinuance of any communication facility terminating on the floor of the Exchange.

⁸ See *infra* note 10.

⁹ The firm that submitted the application, which is IBI, has been approved for membership by the CBOE.