control; (b) whether the company's officers and employees during that period tried, in good faith, to effect the company's investment of its assets in a non-investment business or excepted business or to cause the liquidation of the company; and (c) whether the company invested in securities solely to preserve the value of its assets. The Company believes that it meets these criteria.

4. The Company believes that its failure to become primarily engaged in a non-investment business by December 30, 1996 is a result of factors beyond its control. The existence of the FDIC Claims and the OTS Claims has precluded the Company from investing its assets in a non-investment company business. The magnitude of the FDIC Claims and OTS Claims and the potential threat that the FDIC and the OTS would seek to enjoin any utilization of the Company's assets have prevented the Company from investing its assets in a non-investment company business.

5. Pending the settlement of the FDIC Claims and the OTS Claims, the Company has limited its investments to high quality marketable securities, cash or cash equivalents. Thus, the Company believes that it primarily invests in securities solely to preserve the value of its assets.

6. The Company believes that the issuance of an order exempting it from all provisions of the Act, subject to certain exceptions, until December 10, 1997 would be in the public interest and consistent with the protection of investors and the purposes of the Act. The Company believes that it would be unfair to its stockholders to require it to register as an investment company and that such registration is not necessary for the protection of its stockholders.

Applicant's Conditions

The Company agrees that the requested exemption will be subject to the following conditions, each of which will apply to the Company until it acquires an operating business or otherwise falls outside the definition of an investment company:

1. During the period of time the Company is exempted from registration under the Act, it will not purchase or otherwise acquire any securities other than securities with a remaining maturity of 397 days or less and that are rated in one of the two highest rating categories by a nationally recognized statistical rating organization, as that term is defined in rule 2a–7(a)(10) under the Act.

2. The Company will continue to comply with sections 9, 17(e), and 36 of the Act.

3. The Company will continue to comply with sections 17(a) and 17(d), subject to the following exceptions:

(a) If the Company becomes subject to the jurisdiction of the bankruptcy court, the Company need not comply with sections 17(a) or 17(d) with respect to any transaction, including without limitation the Reorganization Plan, that is approved by the bankruptcy court; and

(b) The Company would not be required to comply with sections 17(a) or 17(d) with respect to any transaction or series of transactions that result in its ceasing to fall within the definition of an ''investment company'' provided that (i) no cash payments are made to an ''affiliated person'' (as defined in the Act) of the Company as part of such transaction or series of transactions, and (ii) no debt securities are issued to an affiliated person of the Company as part of such transaction or series of transactions unless such debt securities are expressly subordinated upon liquidation to claims of the holders of the Company's debentures.

4. The Company will continue to comply with sections 17(f) of the Act as provided in rule 17f–2.

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34–38124; File No. SR–Amex–96–48]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by American Stock Exchange, Inc. Relating to a Fee Change

January 6, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934,[1] notice is hereby given that on December 16, 1996, the American Stock Exchange, Inc. (''Amex'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed fee change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed fee change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

Amex is issuing a one-time credit against the Exchange's monthly Floor Facility Fee for those members who were charged such fee for the months of August through December, 1996 (amounting to $583.35 per member for such period).

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 self-regulatory organization included statements concerning the purpose of and basis for the fee change and discussed any comments it received on the proposed fee change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization 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

As the Exchange has had a rewarding year from a financial perspective, it has decided to issue a one-time credit against its monthly Floor Facility Fee for those members who were charged such fee for the months of August through December, 1996 (amounting to $583.35 per member for such period).

2. Statutory Basis

The proposed fee change is consistent with Section 6(b) of the Act[2] in general and furthers the objectives of Section 6(b)(4) in particular in that it is intended to assure the equitable allocation of reasonable dues, fees, and other charges among Exchange members, issuers, and other persons using the Exchange's facilities.

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

The fee change will impose no 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 solicited or received with respect to the fee change.

[1] 15 U.S.C. § 78s(b)(1).

[2] 15 U.S.C. § 78f(b).

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

The foregoing rule change establishes or changes a due, fee or other charge imposed by the Exchange and therefore, has become effective pursuant to Section 19(b)(3)(A) of the Act [3] and subparagraph (e) of Rule 19b–4 [4] thereunder. At any time within 60 days of the filing of such proposed fee change, the Commission may summarily abrogate such fee 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 fee change that are filed with the Commission, and all written communications relating to the fee 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 in Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR–Amex–96–48 and should be submitted by January 27, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[5]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–807 Filed 1–13–97; 8:45 am]

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[3] 15 U.S.C. § 78s(b)(3)(A).

[4] 17 CFR 19b–4(e).

[5] 17 CFR 200.30–3(a)(12).

[Release No. 34–38128; File No. SR–AMEX–96–46]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the American Stock Exchange, Inc. Relating to Amending Rule 170 to Permit Options Specialist Organizations and Their Approved Persons to Engage in Market Making Activities on Other Options Exchanges in the Options in Which They Are Registered on the AMEX

January 6, 1997.

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 November 27, 1996, the American Stock Exchange, Inc. (''AMEX'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the self-regulatory organization. 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 Exchange proposes to amend Exchange Rule 950(n) to permit options specialist organizations and their approved persons to engage in market making activities on other options exchanges in the options in which they are registered on the AMEX.

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 self-regulatory organization 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 self-regulatory organization 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

Exchange Rule 950(n) currently prohibits AMEX options specialists and their ''approved persons'' [1] from effecting transactions in specialty options except insofar as reasonably necessary to satisfy their specialist obligations on the Exchange. Thus, among its several consequences, Rule 950(n) prohibits an AMEX specialist organization and its approved persons from acting as a market maker in a specialty option on the floor of another options market.[2] The other options exchanges have rules that are similar to AMEX Rule 950(n) with respect to persons that perform functions similar, or identical, to those of a specialist.[3] However, it is the Exchange's understanding that not all those markets interpret their rules in the same manner as the AMEX. Thus, the Exchange has observed Registered Options Traders (''ROTs'') on its Floor trading as market makers in options in which affiliates of such ROTs perform a specialist function on another exchange.

The restrictions on the trading activities of options specialists and their approved persons have their origin in the Exchange's and the New York Stock Exchange's equity trading rules. The AMEX extended these restrictions to listed options at the outset of the Exchange's option program in the mid-1970s in order to expeditiously commence trading options using a combination specialist/competitive market maker system. While these restrictions reflect historical regulatory concerns, the federal securities laws do not require that trading by specialists and their approved persons in specialty securities should be limited to that necessary to the specialist function on any one market. In many respects, moreover, the policy reasons behind the trading restrictions on equity specialists are not compelling in the context of options due to the derivative pricing of these securities. In addition, the limitations contained in Rule 950(n) on principal trading by the affiliates of options specialists predate multiple trading of listed options. When you add to these factors the extraordinary level of self-regulatory organization surveillance of specialists and market makers, the Exchange believes that the

[1] An ''approved person'' is a person or entity that controls a member or member organization or that is engaged in a securities or kindred business and is controlled by or under common control with a member or member organization. *See* Article I, Section 3(g) of the Exchange Constitution.

[2] The approved persons of Exchange specialists may obtain relief from the restrictions of Rule 950(n) by establishing an Exchange approved information barrier pursuant to Rule 193. In practice, however, it has generally proven impractical for all but the largest broker-dealers to establish information barriers that would satisfy the requirements of Rule 193.

[3] Chicago Board Option Exchange Rule 8.81(a), Pacific Stock Exchange Rule 6.83(a), Philadelphia Stock Exchange Rule 1020(e).