allocation form be modified to provide additional options for specific treatment of capital transactions, capital distributions, sale or refinancing proceeds, special distributions, liquidating distributions, and distributions with respect to terminating transactions. In another case, an NASD member stated that modifications to both the transfer and distribution allocation forms were necessary to satisfy certain conditions of purchase imposed by its limited partnership secondary transaction department. In addition, although the Forms were intended to be used for all purchases, sales, exchanges, and transfers of limited partnership interests, many member firms have developed standard one page documents for transfers that are ''not for consideration,'' such as transfers related to a change of trustee or custodian or transfers resulting from death, divorce, or gift. These previously developed documents fulfill the same purpose as the new Standardized Transfer Forms, *i.e.*, permitting a fast and efficient transfer of the security.

Finally, other miscellaneous issues have been raised in connection with the use of the Forms, including a request to meet a requirement that each investor demonstrate U.S. citizenship.

To address this recurring situation, NASD Regulation has proposed a rule change that would add a new paragraph to NASD Rule 11580 that authorizes NASD Regulation's Corporate Financing Department, in response to a member's written request, to issue a waiver from the requirement to use the Forms for good cause shown. This waiver would allow the requesting member to modify the Forms as requested to meet legal or regulatory requirements or to otherwise facilitate the transfer of the limited partnership interests.

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities association, and, in particular, with the requirements of Section 15A.[5] Specifically, the Commission believes the proposal is consistent with the Section 15A(b)(6) requirements that the rules of an association be designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, and processing information with respect to, and facilitating transactions in securities, to prevent fraudulent and manipulative acts and practices, and, in general, to protect investors and the public interest.[6]

The Commission recognizes that there may be instances where the current standardized forms may need to be modified to expedite the transfer of limited partnership interests due to the variety of partnership products available. Therefore, the Commission believes the proposed rule change will allow NASD Regulation staff to provide the flexibility sometimes necessary to facilitate a more efficient transfer of limited partnership interests in particular cases where a rigid ''form over substance'' requirement might hinder the transfer process.

Nevertheless, to ensure the proposed rule change will not unnecessarily reduce or eliminate the benefits of utilizing standardized forms, the Commission emphasizes that waivers allowing members to modify the Forms should be issued only under limited circumstances. They will be issued when needed to allow members to meet legal or regulatory requirements not sufficiently addressed in the Forms or to otherwise facilitate the transfer of limited partnership interests. In applying this standard, it is important that waivers not be issued to allow members to substitute their own forms or to make wholesale changes to the Forms, unless otherwise noted.[7]

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[8] that the proposed rule change (SR–NASD–96–42) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[9]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–2256 Filed 1–29–97; 8:45 am]

BILLING CODE 8010–01–M

[5] 15 U.S.C. 78*o*–3.

[6] 15 U.S.C. 78*o*(b)(6). In finding that the proposed rule change is in the public interest, the Commission, consistent with Section 3(f) of the Act, has taken into consideration the extent to which the proposal promotes efficiency. 15 U.S.C. 78c(f).

[7] An overly liberal application of this exemptive authority by NASD Regulation staff would eliminate the benefits sought by the NASD when it proposed the use of standardized forms.

[8] 15 U.S.C. 78s(b)(2).

[9] 17 CFR 200.30–3(a)(12).

[Release No. 34–38203; File No. SR–PSE–96–46]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Stock Exchange, Inc. Relating to Foreign Broker-Dealers

January 24, 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 December 16, 1996, the Pacific Stock Exchange, Inc. (''PSE'' 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 PSE. 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 is proposing to amend its rules to specify that the term ''broker/dealer,'' as used in PSE Rules 6.52(a), 6.86 and 6.87, includes foreign broker/dealers. The Exchange is also proposing to adopt a definition of the term ''foreign broker/dealer.''

The text of the proposed rule change is available at the Office of the Secretary, the PSE, and at the Commission.

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 Exchange 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 PSE 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

Purpose

PSE Rules 6.52(a), 6.86 and 6.87, relating to option transactions, currently distinguish between orders for broker/dealers and orders for non-broker/dealers. Under these rules, only non-broker/dealer customer orders are eligible to be placed on the public limit order book,[1] to be entered for automatic execution,[2] or to be eligible for a

[1] Rule 6.52(a) provides in part that ''[o]nly non-broker/dealer customer orders may be placed with an Order Book Official pursuant to this Rule.'' *Cf.* SEC Rule 11Ac1–4(a)(6) (equity ''customer limit orders'' that must be displayed pursuant to Rule 11Ac–1–4 include those that are ''not for the account of either a broker or dealer'') (effective January 20, 1997).

[2] Rule 6.87(a) provides: ''Only non-broker/dealer customer orders are eligible for execution on the

guaranteed minimum execution of twenty contracts on the floor of the Exchange.[3]

The purpose of the proposed rule change is to clarify the meaning of the term ''broker/dealer,'' as used in Rules 6.52(a), 6.86 and 6.87, by specifying that it includes foreign broker/dealers. The Exchange is also proposing to adopt the following definition of ''foreign broker/dealers,'' to be applicable to PSE Rules 6.52(a), 6.86 and 6.87:

''*Foreign Broker/Dealer.* The term 'foreign broker/dealer' means any person or entity that is registered, authorized or licensed by a foreign governmental agency or foreign regulatory organization to perform the function of a broker or dealer in securities, or both. The terms 'broker' and 'dealer' mean the same as set out in Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934, provided that a 'broker' or 'dealer' may be a bank.''[4]

In light of the current globalization of the securities markets, the Exchange believes that the subject rules should be applied consistently. In this regard, an exchange specialist in Canada or Mexico, for example, should be subject to the same rules applicable to trading on the PSE as an exchange specialist in the United States, and should not have a competitive advantage over United States broker/dealers.

The Exchange believes that the proposed definition is sufficiently specific to ensure fair enforcement of the affected rules.[5] The question of whether a person or entity is registered, authorized or licensed by a foreign governmental agency or a foreign regulatory organization to perform the specified functions, is objective in nature and easily verifiable—as is currently the case with determinations of whether U.S. brokers or dealers are registered as such with the Commission. The PSE notes that, as a member of the Intermarket Surveillance Group (''ISG''),[6] the Exchange may promptly obtain from ISG members and affiliates information on the accounts of persons or entities entering orders for execution on the PSE, including whether such orders have been entered for the account of a broker or dealer. The Exchange may also obtain such information from foreign exchanges or foreign regulatory authorities with whom the Exchange has an effective surveillance sharing agreement or from a foreign exchange or regulatory authority that is subject to a memorandum of understanding with the Commission that would require those entities to provide such information to the Exchange upon request.

Based upon its review of the applicable regulatory structures of various foreign jurisdictions, the Exchange believes that the proposed definition is sufficiently specific to cover the foreign equivalents of U.S. brokers and dealers. These foreign jurisdictions include: Australia, Canada, the Czech Republic, France, Germany, Hong Kong, Hungary, Japan, Luxembourg, Mexico, the Netherlands, Poland, South Africa, South Korea, the Slovak Republic, Switzerland, and the United Kingdom.[7]

The Exchange also notes that the proposed definition of ''foreign broker/dealer'' contains objective criteria for its application and is narrower in scope than the definition of ''foreign broker or dealer'' specified in SEC Rule 15a–6(b)(3).[8] In addition, the Exchange believes the proposed definition is substantially similar in form and substance to SEC Rule 17a–7(c) (definition of nonresident brokers and dealers) and Exchange Act Sections 3(a)(50) (definition of foreign securities authority) and 3(a)(52) (definition of foreign financial regulatory authority).

Basis

The Exchange believes that the proposed rule change is consistent with Section 6(b) of the Act, in general, and furthers the objectives of Section 6(b)(5) in particular, in that it is designed to promote just and equitable principles of trade, to protect investors and the public interest, and to prevent unfair discrimination between customers, brokers and dealers.

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

The PSE 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 solicited or received with respect to the proposed rule change.

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

Within 35 days of the date of 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 such 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. 25049. 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

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Exchange's Automatic Execution System (''Auto-Ex'').''

[3] Rule 6.86(a) provides: ''Each trading crowd is required to provide a depth of twenty (20) option contracts for all non-broker/dealer customer orders, at the bid/offer that is displayed as the disseminated market quote at the time such orders are announced or displayed at the trading post designated for trading the subject option class.''

[4] Sections 3(a)(4) and 3(a)(5) of the Securities Exchange Act of 1934 provide:

''(4) The term 'broker' means any person engaged in the business of effecting transactions in securities for the account of others, but does not include a bank.

''(5) The term 'dealer' means any person engaged in the business of buying and selling securities for his own account, through a broker or otherwise, but does not include a bank, or any person insofar as he buys or sells securities for his own account, either individually or is some fiduciary capacity, but not as a part of a regular business.''

[5] *See* Securities Exchange Act Release No. 37695 (September 17, 1996), 61 FR 50366 (September 25, 1996) (order approving SR–PSE–96–19).

[6] ISG was created in February 1981 to design, develop and implement a coordinated intermarket surveillance system among securities markets in the United States. On July 14, 1983, the exchanges participating in the ISG entered into an agreement to coordinate more effectively surveillance and investigative information sharing agreements in stock and options markets. In 1989, with the active participation of the SEC and Commodity Futures Trading Commission, the ISG created an ''affiliate'' category for futures exchanges and non-U.S. SROs. Currently, the ISG is comprised of nine members and 13 affiliates.

[7] *See generally* H. Bloomenthal & S. Wolff, *International Capital Markets and Securities Regulation* (1996).

[8] SEC Rule 15a–6(b)(3) provides:

''The term 'foreign broker or dealer' shall mean any non-U.S. resident person (including any U.S. person engaged in business as a broker or dealer entirely outside the United States, except as otherwise permitted by this rule) that is not an office or branch of, or a natural person associated with, a registered broker or dealer, whose securities activities, if conducted in the United States, would be described by the definition of 'broker' or 'dealer' in sections 3(a)(4) or 3(a)(5) of the Act.''

the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the PSE. All submissions should refer to File No. SR–PSE–96–46 and should be submitted by February 20, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[9]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–2319 Filed 1–29–97; 8:45 am]

BILLING CODE 8010–01–M

[9] 17 CFR 200.30–3(a)(12).

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

White House Commission on Aviation Safety and Security; Open Meeting

AGENCY: Office of the Secretary (OST), DOT.

ACTION: Notice of meeting.

SUMMARY: The White House Commission on Aviation Safety and Security will hold its final meeting to discuss aviation safety and security issues. Part of the meeting is open to the public and part is not. The meeting was originally scheduled for January 28, 1997, but a new date has been set.

DATES: The meeting will be held on Tuesday, January 28, 1997, from 9:00 am–12:00 noon and 2:00 pm to 5:00 pm.

ADDRESSES: The meeting will take place in the Commerce Department Auditorium, 14th Street, between Constitution and Pennsylvania Avenues, NW, Washington, DC.

FOR FURTHER INFORMATION CONTACT: Richard K. Pemberton, Administrative Officer, Room 6210, GSA Headquarters, 18th & F Streets, NW, Washington, DC 20405; telephone 202.501.3863; telecopier 202.501.6160.

SUPPLEMENTARY INFORMATION: Pursuant to the Federal Advisory Committee Act (5 USC Appendix), DOT gives notice of a meeting of the White House Commission on Aviation Safety and Security (''Commission''). The Commission was established by the President to develop advice and recommendations on ways to improve the level of civil aviation safety and security, both domestically and internationally. The principal purpose of the meeting on February 11, which was postponed from its original date of January 28, is to formulate the Commission's final recommendations to the President.

The portion of the meeting from 9:00 am–12:00 noon, during which the Commissioners will formulate their recommendations on measures to improve aviation security, will be closed to the public pursuant to the following exemptions in the Government in the Sunshine Act, which apply to public meetings under the Federal Advisory Committee Act:

Exemption 1: Classified information. In order properly to formulate their recommendations, the Commissioners may need to discuss or refer to information properly classified in the interest of national security, which may not be done in public.

Exemption 3: Information exempted from public disclosure by some other statute. Under 49 USC 40119(b), the Administrator of the Federal Aviation Administration (FAA) may prohibit public disclosure of certain categories of information relating to aviation security, if disclosure would constitute an unwarranted invasion of personal privacy, reveal company confidential information, or create a risk to the safety of individuals traveling in inter-or intra-state air transportation. These categories are described at 14 CFR Part 191. Such information will be discussed or referred to at the meeting.

Exemption 4: Company confidential information. There is competition in the aviation industry in many forms: among carriers, among equipment manufacturers, and among software manufacturers, among others. Public discussion of some of these matters could violate 18 USC 1905, which makes it a crime to reveal improperly company confidential information that has come into the possession of the Government.

Exemption 9: Premature disclosure would lead to frustration of proposed agency action. The final recommendations of the Commission have not been formulated; it is possible, however, that public knowledge of some of the security recommendations may frustrate their acceptance and implementation by the FAA and other agencies. The Commission is authorized to protect against this possibility.

Limited seating for the public portion of the meeting is available on a first-come, first-served basis. The public may submit written comments to the Commission at any time; comments should be sent to Mr. Pemberton at the address and telecopier number shown above.

Issued in Washington, DC, on January 24, 1997.

Nancy E. McFadden,

General Counsel, Department of Transportation.

[FR Doc. 97–2336 Filed 1–29–97; 8:45 am]

BILLING CODE 4910–62–P

Coast Guard

[CGD08–96–063]

Lower Mississippi River Waterway Safety Advisory Committee Gaming Vessel Subcommittee

AGENCY: Coast Guard, DOT.

ACTION: Notice of meeting.

SUMMARY: The Lower Mississippi River Waterway Safety Advisory Committee's Gaming Vessel Subcommittee will meet to discuss navigation safety matters affecting the Lower Mississippi River area. The meeting will be open to the public.

DATES: The meeting will be held from 10 a.m. to approximately 12 noon on Tuesday, February 18, 1997.

ADDRESSES: The meeting will be held in room 1830 of the World Trade Center, 2 Canal Street, New Orleans, Louisiana.

FOR FURTHER INFORMATION CONTACT: Mr. Monty Ledet, USCG, Administrator, Lower Mississippi River Waterway Safety Advisory Committee, c/o Commander, Eighth Coast Guard District (oan), Room 1211, Hale Boggs Federal Building, 501 Magazine Street, New Orleans, LA 70130–3396, telephone (504) 589–4686.

SUPPLEMENTARY INFORMATION: Notice of this meeting is given pursuant to the Federal Advisory Committee Act, 5 U.S.C. App. 2 section 1 *et seq.* The meeting is open to the public. Members of the public may present written or oral statements at the meeting. The agenda for the meeting consists of the following items:

(1) Introduction of members.

(2) Discussion of emergency evacuation of gaming vessels.

(3) Presentation of any additional new items for consideration of the Committee.

INFORMATION ON SERVICES FOR INDIVIDUALS WITH DISABILITIES: For information on facilities or services for individuals with disabilities or to request special assistance at the meeting, contact the Administrator where listed under ''For Further Information Contract'' as soon as possible.

Dated: January 10, 1997.

T. W. Josiah,

Rear Admiral, U.S. Coast Guard, Commander, Eighth Coast Guard District.

[FR Doc. 97–2341 Filed 1–29–97; 8:45 am]

BILLING CODE 4910–14–M